

1970
YEAR
STAMP

SECURITY GRADING

N.B. The
UPGRA

(N.B. The grading the same must be the same as that of the highest graded document contained in it. NG APPRO upgrading slip must be affixed when ever necessary.)

Contents checked
for transfer to
D.R.O.

Sgd. *YH*

Date *21/9/72*

CONFIDENTIAL

H.M. DIPLOMATIC SERVICE

DEPT.
or POST

NEAR EASTERN

FILE No. *NE Q 10/2* (Part)

TITLE: *Claims against Iraq government*

DO NOT RETAIN FILES AND PAPERS UNNECESSARILY
RETURN THEM TO REGISTRY FOR B.U. OR P.A.

REFER TO

REFER TO

REFER TO

| NAME (and dept. when necessary) | TO SEE: | DATE | NAME (and dept. when necessary) | TO SEE: | DATE | NAME (and dept. when necessary) | TO SEE: | DATE |
|------------------------------------|--------------|-------------|------------------------------------|----------------|--------------|------------------------------------|-------------|--------------|
| <i>P.H.</i> | <i>1</i> | <i>12/1</i> | <i>PH</i> | <i>(27)</i> | <i>10/7</i> | <i>Regy</i> | | <i>15/11</i> |
| <i>Mr Jones claims DEPT.</i> | <i>(M)</i> | <i>27/1</i> | <i>Mr. Hinchcliffe</i> | <i>27</i> | <i>21/7</i> | <i>P.H.</i> | <i>(30)</i> | <i>17/10</i> |
| <i>Mr. Hinchcliffe</i> | | <i>29/1</i> | <i>Mr. Hinchcliffe</i> | | <i>23/7</i> | <i>2</i> | | <i>20/11</i> |
| <i>Leg</i> | | <i>3/2</i> | <i>Mr. Dennis</i> | <i>27</i> | <i>27/7</i> | <i>P.H.</i> | <i>(31)</i> | <i>24/11</i> |
| <i>P.H.</i> | <i>(6)</i> | <i>24/2</i> | <i>Regy</i> | <i>27</i> | <i>12/8</i> | <i>1257</i> | | <i>23/11</i> |
| <i>Regy</i> | | <i>5/3</i> | <i>P.H.</i> | <i>(23)</i> | <i>7/8</i> | <i>P.H.</i> | <i>(31)</i> | <i>27/11</i> |
| <i>P.H.</i> | <i>7</i> | <i>9/7</i> | <i>Regy</i> | <i>(24)</i> | <i>14/8</i> | <i>2</i> | | <i>27/11</i> |
| <i>Regy</i> | | <i>9/13</i> | <i>Regy</i> | <i>24</i> | | <i>P.H.</i> | <i>(32)</i> | |
| <i>P.H.</i> | <i>9</i> | <i>24/1</i> | <i>Mr. Hinchcliffe</i> | | <i>14/8</i> | | | |
| <i>Leg</i> | | <i>24/3</i> | <i>Regy</i> | | <i>2/9</i> | | | |
| <i>Mr. Jones claims</i> | <i>10</i> | <i>24/4</i> | <i>P.H.</i> | <i>(38)</i> | <i>2/10</i> | | | |
| <i>Regy</i> | | <i>23/4</i> | <i>Mr. Lee. Christ</i> | <i>Mr. Lee</i> | <i>7/10</i> | | | |
| <i>P.H.</i> | <i>10-12</i> | <i>27/4</i> | <i>Mr. Hinchcliffe</i> | | | | | |
| <i>Leg</i> | | | <i>PH</i> | <i>27</i> | <i>11/7</i> | | | |
| <i>P.H.</i> | <i>13</i> | <i>29/4</i> | <i>Regy</i> | | <i>13/10</i> | | | |
| <i>Regy</i> | | | <i>P.H.</i> | <i>28+rep</i> | <i>13/10</i> | | | |
| <i>P.H.</i> | <i>17</i> | <i>29/4</i> | <i>Regy</i> | | | | | |

Registry Address

Room No. *W/115*
Downing Street (W)

SECURITY GRADING

N.B. The gr
UPGRAD

(N.B. The grading of this jacket must be the same as that of the highest graded document contained in it. The appropriate upgrading slip must be affixed when ever necessary.)

YEAR STAMP

CONFIDENTIAL

1970



FROM Mr. W. L. SELL

CONFIDENTIAL

RECEIVED MINISTRY OF DEFENCE (F1b (Air))
 Main Building, Whitehall, LONDON S.W.1
 Telephone: ~~Whitehall 7022~~, ext. 6950
 01-930 7022

Our reference: I28/0
 Your reference: EQ10/7

NEQ 10/2

8th January 1970Dear *Hinchcliffe*,IRAQ - OUTSTANDING LOAN CHARGES

1. I would be grateful for your assistance in obtaining settlement of our final claim against the Iraq Government in respect of RAF officers who were on loan when the Iraq Government broke off diplomatic relations with the United Kingdom in 1967.
2. At that time five officers (1 Squadron Leader and 4 Flight Lieutenants) were on loan to the Iraq Air Force. On 8th June 1967 the Air Attache was informed by the HQ IAF Liaison Officer that the RAF Instructors were "off" "finished" - he added that he hoped to see them hanging in Baghdad. The officers and their families were evacuated, with other British nationals, by road convoy to Teheran that night. They subsequently returned to the United Kingdom, were granted end of tour leave under the terms of Section III 2(b) of the Memorandum of Understanding and returned to RAF duty.
3. The Air Force Department's final claim (Annex 'A') was forwarded to the Air Attache to the Iraq Embassy, Brussels, the total amount being about £13,000. A copy of the reply, received from the Air Attache to the Iraq Embassy, London, is attached (Annex 'B'). The reply admitted liability for about £5,000 only leaving an outstanding balance of about £8,000. The items with which I am concerned in this letter are detailed on Schedule 1 to the claim as follows:-

| | | |
|-----------|---|----------------------|
| Item 1 | - Claim for the loan of personnel 1.4.67 to 18.8.67 | £5595 7s 4d |
| Items 5-9 | - Claim for allowances off-set by payments and residue of interest free loans - totalling | £4391 10s 2d |
| Item 10 | - Claim for Loan Service Pay (special allowance) compensation - totalling | £2948 7s 4d |
| TOTAL | | <u>£12935 4s 10d</u> |

/4.

P. R. Hinchcliffe, Esq.
 Near Eastern Department
 Foreign and Commonwealth Office
 Downing Street
 LONDON, S.W.1

CONFIDENTIAL

CONFIDENTIAL

None left at File
P.O.
PMH
31

CONFIDENTIAL
CONFIDENTIAL

4. You will see from Annex 'B' that the Iraq Government has:-

- a. paid an amount of £5028 9s 2d of item 1
- b. instead of paying the amounts above in respect of items 5-9 has deducted a net amount of £34 2d 6d and
- c. has ignored item 10.

The amount still due to us is therefore:-

| | | | | | |
|-----------|-------|-------------|-------|----|---|
| Item 1 | | | £ | s | d |
| | | | 566 | 18 | 2 |
| Items 5-9 | £4391 | 10s 2d plus | | | |
| | 34 | 2 6 | 4425 | 12 | 8 |
| Item 10 | | | 2948 | 7 | 4 |
| Total | | | £7940 | 18 | 2 |

5. The Iraq Government appears to have taken the line that, excepting for item 1, they are not liable for anything after 23rd May 1967. The significance of this date appears to be that there was severe flooding at Habbaniyah about this date and this may have prevented the Royal Air Force loanees from reporting for duty from then until 8th June 1967. In addition the Iraqis have completely ignored claims in respect of Flt Lt Baron. This too is connected with the flooding. Baron's nomination for loan duty was accepted by the Iraq Government. His last day of RAF duty was 15th May 1967. He was prepared for loan to Iraq and arrived in Baghdad on 30th May 1967 but could not report immediately to Habbaniyah, due to the flooding, and had not done so at the time the RAF were expelled. Nonetheless he was on loan from 16th May 1967 (Section III paragraph 2(b), Memorandum of Understanding refers). Other detailed comments under the three heads are:-

Item 1. The difference between the claim and the payment received is £566 18s 2d. This is made up of the charges for Flt Lt Baron (dealt with above) and the fact that payment for the period 24.5.67 to 7.7.67 has been made at the lower UK rates of £9.899 a day (Sqn Ldr Crow) and £8.363 a day (Flt Lts Webb, Gosnell and Lobley). These officers were, however, in Iraq on 8.6.67 (although due to the flooding they were probably unable to travel from Baghdad to Habbaniyah for duty after 23.5.67) and the higher Iraq rate applies to 8.6.67.

Items 5-9. Under the terms of the Memorandum of Understanding (Second Schedule) the Iraq Government was liable to pay allowances for furnished accommodation etc in advance. These payments were due to the officers concerned with effect from the dates detailed at Annex 'A' and were not recoverable from the loanee in event of the loan terminating prematurely. Due, however, to the fact that the Iraq Government was normally tardy in making payment the RAF imprest holder made payment to the individuals on a reclaim ~~basis~~ from the Government of Iraq. The Schedule details the net amount due in this respect after subsequent advances from the Iraqis and the balance of interest free loans made by the Iraq Government under paragraph 2(h) had been taken into account.

basis.
A

CONFIDENTIAL
CONFIDENTIAL

Item 10.

This claim is in respect of loan service pay under the First Schedule (paragraph 2h). This paragraph provides that "compensation consisting of an amount equal to the balance of the amount of special allowance (payable under paragraph 1(a)(1)) in respect of service in Iraq which they would have received if they had completed their period of loan".

6. In summary, it appears that the Iraq Government has accepted the principles of the Memorandum of Understanding in so far as liability for the loan charges for pay and allowances is concerned (despite the small differences in the daily rate from 24.5.67 to 7.6.67 and the liability for Flt Lt Baron) but has ignored them in respect of items 5-9 and 10. I assume that relations with the Iraq Government have improved since June 1967 and I would be grateful for help via diplomatic channels in obtaining satisfaction of the outstanding amount of about £8000.

Yours *Sincerely*

W. L. Sell

CONFIDENTIAL

CONFIDENTIAL

ANNEX "A"

MINISTRY OF DEFENCE

Whittington Road, WORCESTER

Telephone: Worcester 23411, ext.

Please address any reply to
MINISTRY OF DEFENCE
(Accounts 1c(Air))

and quote: BF1056/PtII/Accounts 1c(Air)
Your reference:

2 May 1968

Dear Sir,

RAF PERSONNEL FORMERLY ON LOAN TO THE REPUBLIC OF IRAQ

With reference to your letters 2/3/A/1989 dated 9th November 1967 and 2/3/A/1989/308 dated 24th February 1968 on the above mentioned subject, we now enclose a consolidated claim in respect of all the items known to be outstanding in respect of the RAF loaned officers.

This you will note includes the allowances due to RAF personnel themselves under the terms of the Loan Agreement, less the advances of £600 each made to Squadron Leader Crow and Flight Lieutenants Lobley and Webb on 2nd May 1967.

Our claim also includes repayment to you of the private loans made by your authorities to Squadron Leader Crow and Flight Lieutenants Lobley, Gosnell and Holliday, as well as a claim for compensation (1st Schedule, paragraph 2(h) refers).

We have scheduled additionally amounts due to us in respect of a bank account balance and the Alwiyah Club bond since we presume your authorities would be prepared to use their good offices to obtain the release to us of the amounts in question.

As stated in our letter of even reference dated 7th March 1968, we would prefer the outstanding claims for Training etc., to be actioned quite separately from that in respect of the loanees.

Yours faithfully,



(K. J. BEARD)
for Director of Accounts (Air)

The Office of the Air Attache
Embassy of the Republic of Iraq
155 Boulevard Auguste Reyers
Brussels 4
Belgium

| | | |
|------------|---------------|-------------------------------------|
| Copies to: | Accts 1d(Air) | S10e(Air) |
| | 2b(Air) | PA3(RAF) |
| | 3a(Air) | P3(RAF) |
| | F1b(Air) | P8(RAF) |
| | F2a(Air) | P10(RAF) |
| | F5a(Air) | RAF Headquarters Unit, Uxbridge |
| | F6n(Air) | Foreign Office (Eastern Department) |

SCHEDULE

1968

CONSOLIDATED CLAIM OF ITEMS OUTSTANDING ON TERMINAL OF RAF PERSONNEL

£ s. d.

Claim for loan of personnel 1 Apr 67 to 18 Aug 67
as per details attached.

5,995 7

See Schedule 2

ITEM 2 Recovery of Medical Expenses F/Lt HOLLIDAY 2 19 1
F/Lt LOBLEY 13 4 1 16 3

ITEM 3 Refundable Bond re ALWIYAH Club, Baghdad, on
resignation by RAF personnel. 100 -

ITEM 4 Credit Balance in RAF Attache's public account
RAPIDAIN Bank Baghdad. 1 19

ITEM 5 Allowances due to RAF Personnel under the
terms of Loan Agreement:
S/L CHOW Allowances due 25 Apr 67 1,290 - -
Less Advance paid 2 May 67 600 - -
690 - -
Less repayment of private loan
to Iraq Government 400 - -
290 - -

ITEM 6 F/Lt LOBLEY Allowances due 13 Apr 67 1,240 - -
Previous outstanding
allowances not paid by Iraq 150 - -
1,390 - -
Less Advance paid 2 May 67 600 - -
790 - -
Less repayment of private
loan to Iraq Government 280 - -
510 - -

ITEM 7 F/Lt GOSNELL Allowances due 23 May 67 1,390 - -
Claim for utilities as
attached details for period
13 Sep 65 to 30 Sep 66 41 10 2
1,431 10 2
Less repayment of private
loan to Iraq Government 280 - -
1,151 10 2

F/Lt WEBB Allowances due 28 Apr 67 1,520 - -

ITEM 7
F/Lt GOSNELL Allowances due 23 May 67
Claim for utilities as
attached details for period
13 Sep 65 to 30 Sep 66

• 1,390 - -

41 10 2
1,431 10 2

Less repayment of private
loan to Iraq Government

• 280 - -

1,151 10 2

ITEM 8
F/Lt WEBB Allowances due 28 Apr 67
~~Less Advance paid 3 May 67~~

• 1,520 - -

600 - -

920 - -

ITEM 9
F/Lt BARRON Allowances due 30 May 67

• 1,520 - -

1,520 - -

Loan Service Pay in Iraq. Balance of
allowances due as compensation.
Para 2(h) of the First Schedule of the
Loan Agreement refers:

Sqn Ldr CROW period 8 Jun 67 to 25 May 68
- 323 days at £1.229 per day

396 19 4

ITEM 10
Flt Lt BARRON period 8 Jun 67 to 30 May 69
- 723 days at £1.229 per day

888 11 4

Flt Lt WEBB period 8 Jun 67 to 28 Apr 69
- 691 days at £1.229 per day

849 4 9

Flt Lt GOSNELL period 8 Jun 67 to 23 May 68
- 351 days at £1.229 per day

431 7 7

Flt Lt LOBLEY period 8 Jun 67 to 13 Apr 68
- 311 days at £1.229 per day

382 4 4 2,948 7 4

/13,053 7 6

£ s. d.

£ s. d.

13,053 7

LESS THE FOLLOWING CREDITS DUE TO
IRAQ GOVERNMENT:

TEM 11

Cost of Registration of Telegraphic Address
Baghdad

4 10 -

TEM 12

Landing Fees of RAF Aircraft at
Baghdad

79 14 -

TEM 13

Repayment of private loan made to
F/Lt HOLLIDAY at commencement of his
tour of duty.

. 310 - -

394 4 -

12,659 3 6

-CLAIM AGAINST THE GOVERNMENT OF IRAQ FOR THE LOAN OF
ROYAL AIR FORCE PERSONNEL DURING THE PERIOD 1ST APRIL 1967 TO 18TH AUGUST 1967

[illegible]

ANNEX "B"

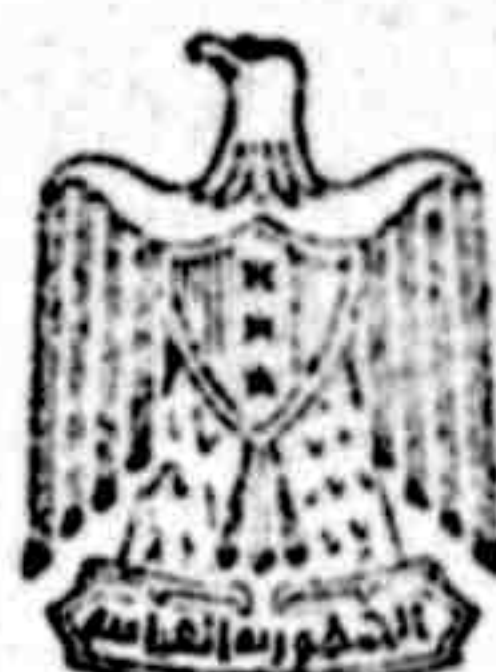
E161

ATTACHÉ
TO THE
EMBASSY OF THE
REPUBLIC OF IRAQ.

22, QUEEN'S GATE,

LONDON, S.W.7.

KNIGHTSBRIDGE 7141.



سفارة الجمهورية العراقية

القسم الإداري

لندن

Our Ref: 2/3(A)/588.

16th April, 1969.

(Please reply in duplicate).

For the attn. of Mr. K.G. Beard.

Sir,

With reference to your letter, Ref: 1056/PT/11 Acc. 8 A3, dated 13th March, 1969, we should like to reply as follows:-

SCHEDULE NO. 2.

According to Item (1) (a) of the Delegation Memorandum, you will find below the details about the salaries of the British Pilots, until the date of leaving Iraq:-

| | | |
|-----|-----------------------------------|---------------|
| (1) | <u>SQUADRON LEADER CROW</u> | £ 712. 8. 6. |
| | per day = 13/442 | |
| | period = 1/4/67 to 23/5/67. | |
| (2) | <u>F/LT. WEBB</u> | £ 285.19. 2. |
| | per day..... 11/907 | |
| | period = 13/4/67 to 23/5/67 | 15. 4 |
| (3) | <u>F/LT. GOSNELL</u> | £ 631. 1. 5. |
| | per day = 11/907 | |
| | period = 1/4/67 to 23/5/67 | |
| (4) | <u>F/LT. LOBLEY</u> | £ 631. 1. 5. |
| | per day = 11/907 | |
| | period = 1/4/67 to 23/5/67 | |
| | | £2260. 10. 6. |

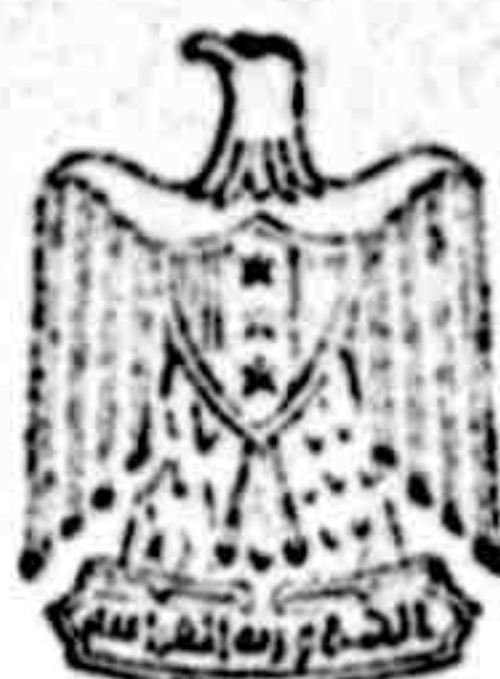
According to Item (2):-

ALLOWANCES - Amounts for the above Pilots from the time of departure from Baghdad to time of reporting for service in U.K.

| | | |
|-----|-----------------------------------|---------------|
| (1) | <u>SQUADRON LEADER CROW</u> | £ 861. 4. 3. |
| | per day = 9/899 | |
| | period = 24/5/67 to 18/8/67 | |
| (2) | <u>F/LT. HOLLIDAY</u> | £ 485. 1. 1. |
| | per day = 8/363 | |
| | period = 1/4/67 to 28/5/67 | |
| (3) | <u>F/LT. WEBB</u> | £ 393. 1. 3. |
| | per day = 8/363 | |
| | period = 24/5/67 to 9/7/67 | |
| (4) | <u>F/LT. GOSNELL</u> | £ 518. 10. 2. |
| | per day = 8/363 | |
| | period = 24/5/67 to 24/7/67 | |
| (5) | <u>F/LT. LOBLEY</u> | £ 510. 1.11. |
| | per day = 8/363 | |
| | period = 24/5/67 to 23/7/67 | |
| | | £2767. 18. 8. |
| | | £5028. 9. 2. |

contd.....

ATTACHÉ
TO THE
EMBASSY OF THE
REPUBLIC OF IRAQ.



سفارة الجبلهمور تبار الجبلهمور

دائرة المصارف

22, QUEEN'S GATE,

LONDON, S.W.7.

CONTD. FROM PREVIOUS PAGE.

KNIGHTSBRIDGE 7141.

لذلك

The amounts mentioned in Schedule No. 2 of the Delegation Memorandum, representing accommodation and services, and extra expenses, are as follows:-

| | |
|--|---------------------|
| (1) <u>SQUADRON LEADER CROW</u> | |
| accommodation for 1 year from 25.4.67. | £ 900. 0. 0. |
| services..... | £ 240. 0. 0. |
| additional expenses for 3 months..... | £ 150. 0. 0. |
| | <u>£1290. 0. 0.</u> |

NOTE: Contract renewed from 25.4.67. which merits payment of £136. 11. 8. representing the period of the contract to the date of his departure on 23.5.67.

| | |
|-------------------------------|---------------------|
| (2) <u>F/LT. LOBLEY</u> | |
| accommodation..... | £ 850. 0. 0. |
| services..... | £ 240. 0. 0. |
| additional expenses..... | £ 150. 0. 0. |
| | <u>£1290. 0. 0.</u> |

NOTE: Contract renewed from 13.4.67. which merits the payment of £242. 0. 0. representing the period of the contract to the date of his departure on 23.5.67.

| | |
|---------------------------------------|---------------------|
| (3) <u>F/LT. GOSNELL</u> | |
| accommodation..... | £ 850. 0. 0. |
| (from 23.5.67). | |
| services..... | £ 240. 0. 0. |
| expenses for 6 months (from 23.5.67). | £ 300. 0. 0. |
| | <u>£1390. 0. 0.</u> |

NOTE: Contract terminated on 23.5.67. which date coincided with his date of departure. Therefore, no expenses payable.

| | |
|--|---------------------|
| (4) <u>F/LT. WEBB</u> | |
| accommodation..... | £ 850. 0. 0. |
| (from 29.4.67) | |
| services..... | £ 240. 0. 0. |
| additional expenses for 3 months from 29.4.67..... | £ 150. 0. 0. |
| | <u>£1240. 0. 0.</u> |

NOTE: Arrived in Baghdad 29.4.67. Left his job 23.5.67. Expenses.... £111.12.5.

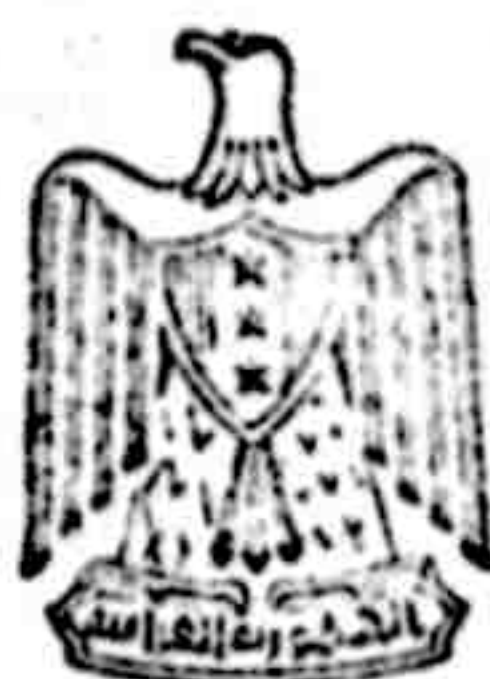
contd.....

ATTACHÉ
TO THE
EMBASSY OF THE
REPUBLIC OF IRAQ.

22, QUEEN'S GATE,

LONDON, S.W.7.

KNIGHTSBRIDGE 7141.



سفارة الجمهورية العراقية
القنصلية البريطانية

لندن

CONTD. FROM PREVIOUS PAGE.

SCHEDULE.

£. s. d.

As mentioned in Items (1) & (2)..... 5028. 9. 2.

F/LT. HOLLIDAY

Fee for medical treatment..... 2. 19. 1. ✓

F/LT. LOBLEY.

Fee for medical treatment..... 13. 4. 1. ✓

SQUADRON LEADER CROW.

Expenses, as already mentioned..... 136. 11. 8.

F/LT. LOBLEY.

Expenses, as already mentioned..... 242. 0. 0.

F/LT. WEBB.

Expenses, as already mentioned..... 111. 12. 5.

£5534. 16. 5.

Cost of registration of telegraph
address in Baghdad..... £. s. d.
4. 10. 0. ✓

Landing Fees of R.A.F. Aircraft
at Baghdad..... 79. 14. 0. ✓

SQUADRON LEADER CROW.

Outstanding amount on advance
payment of £600 made in May 1966. 136. 11. 8.

F/LT. LOBLEY.

Outstanding amount on advance
payment of £600 made in May 1966. 276. 2. 6.

F/LT. WEBB.

Outstanding amount on advance
payment of £600 made in May 1966. 111. 12. 5.

SQUADRON LEADER CROW.

Flying Clothes supplied..... 2. 8. 0.

F/LT. PAGE.

Flying Clothes supplied..... 2. 8. 0. 613. 6. 7.

£4921. 9. 10.

contd.....

ATTACHÉ
TO THE
EMBASSY OF THE
REPUBLIC OF IRAQ.

22. QUEEN'S GATE,

LONDON, S.W.7.

KNIGHTSBRIDGE 7141.



سفارة الجهورية العراقية

القوة الجوية

لندن

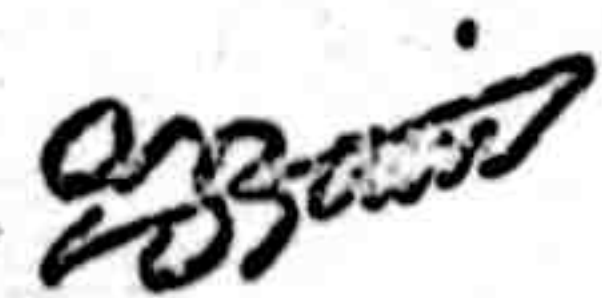
CONTD. FROM PREVIOUS PAGE.

Regarding the amount of £1.9.6. outstanding in Rafidan Bank on your behalf, will you please ask your Authorities in Baghdad to withdraw this amount.

Regarding the amounts of LT. BARRON, as per the instructions of our Authorities in Baghdad, we regret we are unable to pay the amount mentioned in your Claim 56/67 for this Pilot, because they state that they have no details of his arrival in Baghdad, or his departure, because he did not report for duty, and there is no indication at all that he applied to Headquarters for a position.

With reference to your Claim 56A/67, please find herewith Cheque No. B066366 for £4921. 9. 10, representing the final amount mentioned in the above Schedule. Please send your official receipt to us at the above address.

Yours faithfully,


Col. K. Al-Azzawi,
AIR ATTACHE.

Ministry of Defence,
Whittington Road,
WORCESTER.

SA 4
801 (act. 3a)
1A2 (act. 2b)
S10e
76a

2

BRITISH EMBASSY

BAGHDAD



9 December 1969

(6/33 SMOD).
UNCLASSIFIED

Dear Peter,

Iraqi Claims against H.M.G.

NEQ 10/5/69

Please refer to your letter NEQ 10/5 of 28 August.

15.

2. It is disappointing (but understandable) that the Treasury refuse to consider the "Tygon" claim in isolation, particularly in view of the Foreign Office's admission of liability in the Note to the Iraqi Charge d'Affaires of 20 October 1965, and the Ministry of Defence's recognition that the claim did not fit in happily with the other claims and counter claims. I should, incidentally, record that the last occasion on which the "Tygon" claim was raised was in the M.F.A.'s Note No. 1406/1406/5/48017 of 11 September 1968 to us, not in April 1969 as stated in your letter.

14 NEQ 10/5/69

3. Wyatt in his letter 2 DM 57/58/01 of 8 August 1969 to Sleigh in the Ministry of Defence (enclosed with your letter under reference) said that if the Iraqis made any move to resurrect their old claims, Departments in London would wish to discuss the new situation. In fact, since the resumption of relations the Iraqis have sent us several reminders of their claim on behalf of the Iraqi Ports Administration in Basra (for details of the claim see paragraph 8 of Sleigh's letter AF/X407/65/PT11 of 21 April to Mewes in the Treasury). The Iraqi authorities have been referring the claim to us in two separate series of Notes, the latest of which are dated 8 October and 18 November 1969, copies of which I enclose.

NEQ 10/5/69

9

4. Since the resumption of relations therefore the Iraqis have confined themselves to dealing with the two claims on behalf of the Ports Administration; they reminded us of the Tygon claim, their last reminder being in September 1968, but have pressed the second claim, that for I.D. 19,778. My inclination would be to reject the second quite briefly for the reasons given in paragraph 8 of Sleigh's letter, and to suggest the abandonment of both sides of all pre-1959 claims.

Your ever,

(P. McKearney)

name

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.

left at 12.45
Pv
PMM 3/1

Mr. Makinson

Reference.....

| |
|-------------------|
| REGISTRY No. 1013 |
| NEQ 10/2 |
| 21 JAN 1970 |
| NEQ 10/2 |

Iraq: Outstanding R.A.F. Charges

Previous papers are entered EQ 10/7 (1967-68) and it is clear that Claims Department have not hitherto known about this matter.

2. A year ago the Embassy sent a N.V. to the Iraqi M.F.A. requesting compensation amounting to £150 for losses and damage sustained in June 1967 by the Consulate-General in Basra. We have been endeavouring for some time to get from the British Council a revised list of damages to their property at Baghdad. When that comes to hand we shall also propose submitting a small private claim on behalf of a Mr. P.J. Wilson. That is the extent of claims concerning Baghdad.

3. Since the question of outstanding R.A.F. charges is more one of a government debt rather than a claim for compensation for damages, you will no doubt wish to deal separately with it - although Mr. Davey's letter to Board of Trade 6/33 of 6/11/69 copied to North Eastern Department, para. 3, about "the climate was right ... for the settlement of our outstanding claims" might be considered relevant.

Abjona.

(C.C. Jones)
20 January 1970.

Mr Jones

Before I take action on Folio (1) I would be grateful for your assurance that this is a type of claim which should be processed by the Geographical Dept. I am asking you this in view of the note over the knuckles we received from Mr Bayliss in September 1968 (Folio (35) of EQ 10/6 attached)

PMH Hinchcliffe (HINCHCLIFFE)

N.E.D

23/1/70

*Under
International
Law*

Mr. Hindcliffe.

I can give you the assurance you ask for. I had not seen Mr. Baylis's minute before now; it is evident that when he wrote it he did not know about the outstanding RAF charges. However, his line (para. 4 and 5 of his minute of 20/9/68), which I have in effect repeated in my minute above of 20 January, was that contractual liabilities (such as those herein) and other types of 'claims' he mentioned are not claims in International law for which compensation can be sought. The contractual liabilities should therefore be dealt with separately from the claims under International law referred to in para. 2 of my minute of 20 January.

bbjones. 29/1/70.

Po. PMMA
32

RESTRICTED COVERING CONFIDENTIAL

Near Eastern Department,

2 February, 1970

(NEQ.10/2)

Iraq claims against H.M.G. and vice versa

2 — For some reason we did not receive your unclassified letter (6/33 MOD) of 9 December until 16 January! Nor have we any trace of the two notes referred to in your third paragraph. However, I have once more taken up the Port Administration Claim with the Ministry of Defence and will let you know the outcome in due course.

I now return the compliment by enclosing details of an HMG claim against the Iraqi Government which engaged the attention of the department during the break of diplomatic relations with Iraq in 1967/68. As you will see from Sell's letter we are asked to take this matter up with the Iraqis in the hope that we can obtain the balance £8000 odd owed to us.

If you see no objection we would be grateful if this could now be done - perhaps the Defence Attache could help via his contacts in the Iraqi Ministry of Defence. The documentation attached to Sell's letter appears to be complete; if there are other details you require please let me know.

(P. R. M. Hinchcliffe)

P. J. McKearney Esq.,
BAGHDAD

RESTRICTED COVERING CONFIDENTIAL



FROM Mr. W. L. SELL

| | |
|-------------------|---|
| RECEIVED | MINISTRY OF DEFENCE (F1b (Air)) |
| REGISTRY No. Main | Building, Whitehall, LONDON S.W.1 |
| - 9 JAN 1970 | Telephone: Whitehall 7022 , ext. 6950 01-930 7022 |
| NEQ 10/2 | |

Our reference: I28/0
Your reference: EQ10/7

8th January 1970

Dear *Hinchcliffe,*

IRAQ - OUTSTANDING LOAN CHARGES

1. I would be grateful for your assistance in obtaining settlement of our final claim against the Iraq Government in respect of RAF officers who were on loan when the Iraq Government broke off diplomatic relations with the United Kingdom in 1967.

2. At that time five officers (1 Squadron Leader and 4 Flight Lieutenants) were on loan to the Iraq Air Force. On 8th June 1967 the Air Attache was informed by the HQ IAF Liaison Officer that the RAF Instructors were "off" "finished" - he added that he hoped to see them hanging in Baghdad. The officers and their families were evacuated, with other British nationals, by road convoy to Teheran that night. They subsequently returned to the United Kingdom, were granted end of tour leave under the terms of Section III 2(b) of the Memorandum of Understanding and returned to RAF duty.

3. The Air Force Department's final claim (Annex 'A') was forwarded to the Air Attache to the Iraq Embassy, Brussels, the total amount being about £13,000. A copy of the reply, received from the Air Attache to the Iraq Embassy, London, is attached (Annex 'B'). The reply admitted liability for about £5,000 only leaving an outstanding balance of about £8,000. The items with which I am concerned in this letter are detailed on Schedule 1 to the claim as follows:-

| | | |
|-----------|---|----------------------|
| Item 1 | - Claim for the loan of personnel 1.4.67 to 18.8.67 | £5595 7s 4d |
| Items 5-9 | - Claim for allowances off-set by payments and residue of interest free loans - totalling | £4391 10s 2d |
| Item 10 | - Claim for Loan Service Pay (special allowance) compensation - totalling | £2948 7s 4d |
| TOTAL | | <u>£12935 4s 10d</u> |

/4.

P. R. Hinchcliffe, Esq.
Near Eastern Department
Foreign and Commonwealth Office
Downing Street
LONDON, S.W.1

CONFIDENTIAL
CONFIDENTIAL

CONFIDENTIAL
CONFIDENTIAL

4. You will see from Annex 'B' that the Iraq Government has:-

- a. paid an amount of £5028 9s 2d of item 1
- b. instead of paying the amounts above in respect of items 5-9 has deducted a net amount of £34 2d 6d and
- c. has ignored item 10.

The amount still due to us is therefore:-

| | | | | |
|-----------|-------------------|-------|----|---|
| Item 1 | | £ | s | d |
| | | 566 | 18 | 2 |
| Items 5-9 | £4391 10s 2d plus | | | |
| | 34 2 6 | 4425 | 12 | 8 |
| Item 10 | | 2948 | 7 | 4 |
| Total | | £7940 | 18 | 2 |

5. The Iraq Government appears to have taken the line that, excepting for item 1, they are not liable for anything after 23rd May 1967. The significance of this date appears to be that there was severe flooding at Habbaniyah about this date and this may have prevented the Royal Air Force loanees from reporting for duty from then until 8th June 1967. In addition the Iraqis have completely ignored claims in respect of Flt Lt Baron. This too is connected with the flooding. Baron's nomination for loan duty was accepted by the Iraq Government. His last day of RAF duty was 15th May 1967. He was prepared for loan to Iraq and arrived in Baghdad on 30th May 1967 but could not report immediately to Habbaniyah, due to the flooding, and had not done so at the time the RAF were expelled. Nonetheless he was on loan from 16th May 1967 (Section III paragraph 2(b), Memorandum of Understanding refers). Other detailed comments under the three heads are:-

Item 1. The difference between the claim and the payment received is £566 18s 2d. This is made up of the charges for Flt Lt Baron (dealt with above) and the fact that payment for the period 24.5.67 to 7.7.67 has been made at the lower UK rates of £9.899 a day (Sqn Ldr Crow) and £8.363 a day (Flt Lts Webb, Gosnell and Lobley). These officers were, however, in Iraq on 8.6.67 (although due to the flooding they were probably unable to travel from Baghdad to Habbaniyah for duty after 23.5.67) and the higher Iraq rate applies to 8.6.67.

Items 5-9. Under the terms of the Memorandum of Understanding (Second Schedule) the Iraq Government was liable to pay allowances for furnished accommodation etc in advance. These payments were due to the officers concerned with effect from the dates detailed at Annex 'A' and were not recoverable from the loanee in event of the loan terminating prematurely. Due, however, to the fact that the Iraq Government was normally tardy in making payment the RAF imprest holder made payment to the individuals on a reclaim ~~basis~~ from the Government of Iraq. ^{basis.} The Schedule details the net amount due in this respect after subsequent advances from the Iraqis and the balance of interest free loans made by the Iraq Government under paragraph 2(h) had been taken into account.

CONFIDENTIAL
CONFIDENTIAL

Item 10.

This claim is in respect of loan service pay under the First Schedule (paragraph 2h). This paragraph provides that "compensation consisting of an amount equal to the balance of the amount of special allowance (payable under paragraph 1(a)(1)) in respect of service in Iraq which they would have received if they had completed their period of loan".

6. In summary, it appears that the Iraq Government has accepted the principles of the Memorandum of Understanding in so far as liability for the loan charges for pay and allowances is concerned (despite the small differences in the daily rate from 24.5.67 to 7.6.67 and the liability for Flt Lt Baron) but has ignored them in respect of items 5-9 and 10. I assume that relations with the Iraq Government have improved since June 1967 and I would be grateful for help via diplomatic channels in obtaining satisfaction of the outstanding amount of about £8000.

Yours

Sincerely

W. L. Sell

CONFIDENTIAL

CONFIDENTIAL

Near Eastern Department,

5

2 February, 1970

(NEQ.10/2)

Iraq - Old Debts

Correspondence on pre-1959 Debts rests with your letter to Sleigh ZDM.57/18/01 of 8 August 1969.

...

I now enclose a copy of a letter from our Embassy in Baghdad which appears to create the situation as foreshadowed in the antepenultimate line of your fourth paragraph.

We would be happy to go along with McKearney's suggestion in paragraph 4 of his letter but no doubt you will wish to consider this in conjunction with Sleigh to whom I am copying this letter and its enclosure. A copy also goes to Reeves.

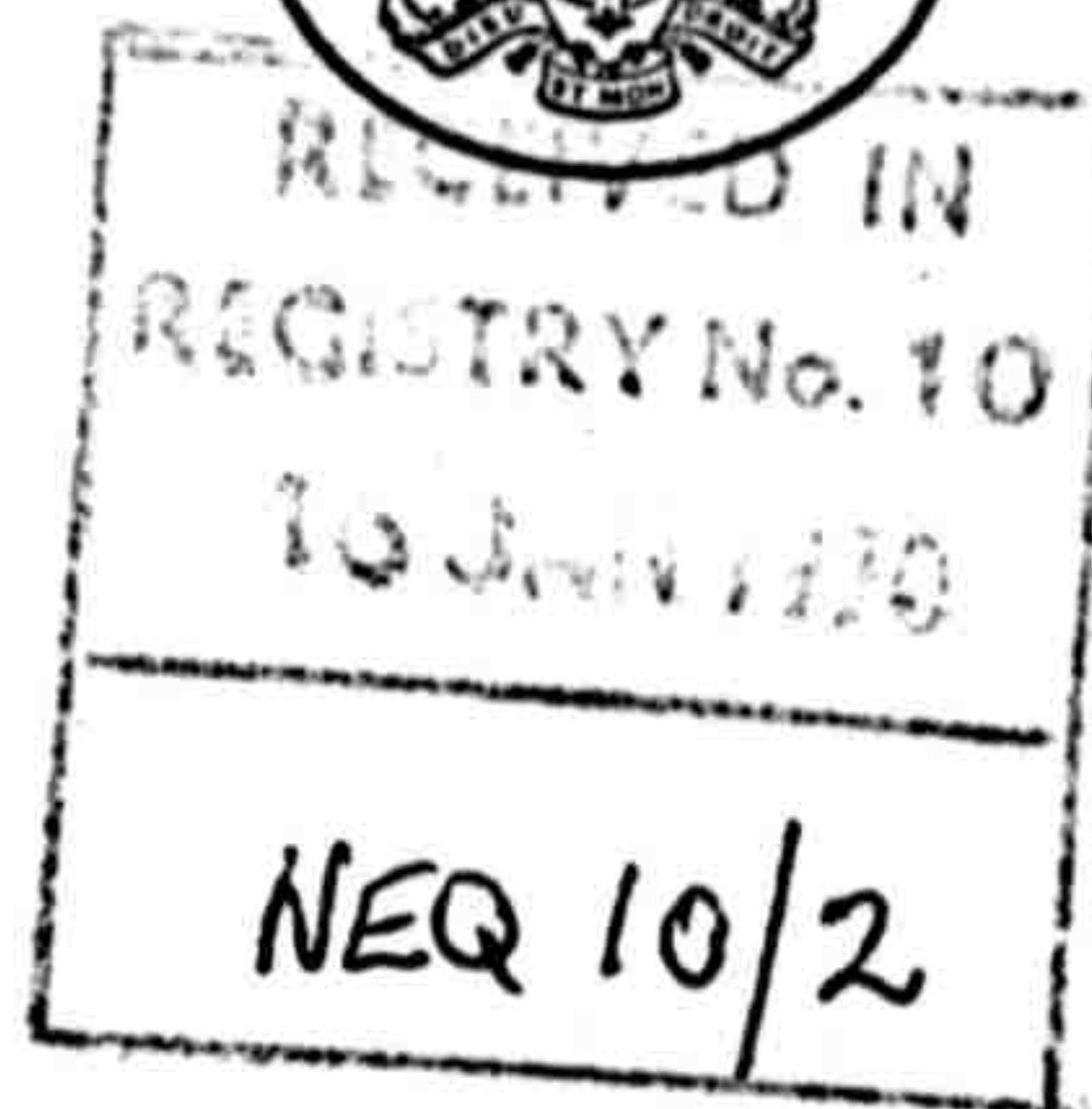
(P.R.M.Hinchcliffe)

F. H. C. Wyatt Esq.,
H.M. Treasury,
Great George Street,
London S.W.1.



BRITISH EMBASSY

BAGHDAD



(6/33 MOD).
UNCLASSIFIED

9 December 1969

Dear Peter,

Iraqi Claims against H.M.G.

Please refer to your letter NEQ 10/5 of 28 August.

NEQ 10/5/69

15.

2. It is disappointing (but understandable) that the Treasury refuse to consider the "Tygon" claim in isolation, particularly in view of the Foreign Office's admission of liability in the Note to the Iraqi Charge d'Affaires of 20 October 1965, and the Ministry of Defence's recognition that the claim did not fit in happily with the other claims and counter claims. I should, incidentally, record that the last occasion on which the "Tygon" claim was raised was in the M.F.A.'s Note No. 1406/1406/5/48017 of 11 September 1968 to us, not in April 1969 as stated in your letter.

3. Wyatt in his letter 2 DM 57/38/01 of 8 August 1969 to Sleight in the Ministry of Defence (enclosed with your letter under reference) said that if the Iraqis made any move to resurrect their old claims, Departments in London would wish to discuss the new situation. In fact, since the resumption of relations the Iraqis have sent us several reminders of their claim on behalf of the Iraqi Ports Administration in Basra (for details of the claim see paragraph 8 of Sleight's letter AF/X407/65/PT11 of 21 April to Mewes in the Treasury). The Iraqi authorities have been referring the claim to us in two separate series of Notes, the latest of which are dated 8 October and 18 November 1969, copies of which I enclose.

NEQ 10/5/69

9

4. Since the resumption of relations therefore the Iraqis have confined themselves to dealing with the two claims on behalf of the Ports Administration; they reminded us of the Tygon claim, their last reminder being in September 1968, but have pressed the second claim, that for I.D. 19,778. My inclination would be to reject the second quite briefly for the reasons given in paragraph 8 of Sleight's letter, and to suggest the abandonment by both sides of all pre-1959 claims.

Yours ever,

(P. McKearney)

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.

Reg. & Co. P.M.M.

(6)



23/2

BRITISH EMBASSY

BAGHDAD

(6/12)

RECEIVED IN
REGISTRY No. 10

23 FEB 1970 19 February 1970

NEQ 10/2

Dear Sir,

Iraqi Claims against H.M.G.

----- Please refer to your letter NEQ 10/2 of 2 February to Philip McKearney. I enclose copies of the Ministry of Foreign Affairs Notes of 8 October and 18 November 1969 which must have been omitted in error.

Yours sincerely,

(M. K. Jenner)

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.,
London S.W.1.

We will await a reply to

~~File~~ File (5)

Pa. P.M.M.
24/2

Translation

No. 38/38/5/75062

Ministry of Foreign Affairs,
Political Department,
Baghdad, 8 October, 1969.

The Ministry of Foreign Affairs presents its compliments to Her Britannic Majesty's Embassy, Baghdad, and has the honour to remind the Embassy of the contents of its Note No. 38/38/5/21062 of 12 April, 1969, and to request that the Ministry may be informed of the result of the efforts exerted by the Embassy with the competent British authorities, as was stated in the esteemed Embassy's Note No. 20 of 21 January, 1969, concerning settlement of the debts claimed by the Iraqi Ports^{Administration} and outstanding against the British military forces.

In awaiting the result of the efforts to be exerted by the esteemed Embassy in this respect, the Ministry avails itself of this opportunity to express its highest consideration and esteem.

*This is separate from the
Tiger claim.
Draft reply.*

*up
21/10*

Her Britannic Majesty's Embassy,
Baghdad.

*Now see separate memo
and draft.*

6/55 PWS

• H/C 18/10

Translation.

No. 6265/6265/5/92618.

Ministry of Foreign Affairs,
Political Department,

Baghdad, 18 November, 1969.

Minister & Secy.

M. S. 12

The Ministry of Foreign Affairs presents its compliments to Her Britannic Majesty's Embassy, Baghdad, and has the honour to remind the Embassy of its Note No. 38/38/5/955 of 14 January, 1969, and its Note No. 6265/6265/5/19461 of 3 April, 1969. The Ministry also wishes to refer the esteemed Embassy to its Note No. 20 of 21 January, 1969, in which the Embassy stated that it had referred the request of the Iraqi Ports Administration to the British authorities, and to enquire as to the action taken concerning the request for the settlement of the debt in question.

In awaiting the result of the efforts to be exerted by the esteemed Embassy in this respect, the Ministry avails itself of this opportunity to express its highest consideration and esteem.

Her Britannic Majesty's Embassy,
Baghdad.

7

Regy. the
check &
rectify

(6/12)
UNCLASSIFIED

MM
6/3



BRITISH EMBASSY

BAGHDAD

RECEIVED IN
REGISTRY No. 10
5 MAR 1970
NEQ 10/2

24 February 1970

Dear Sir,

5

You mentioned in your letter NEQ 10/2 of 2 February to Philip McKearney that the documentation attached to Sell's letter appears to be complete - unfortunately, it seems to have been left out when you sent the letter. I should be grateful if you could let us have it in due course.

Copy of doc. (f.4) now
sent to Baghdad.

RE
9/3/70

Philip McKearney

(J.H. Symons)

Yours
JH

MM
9/3

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.,
London S.W.1.

to

9

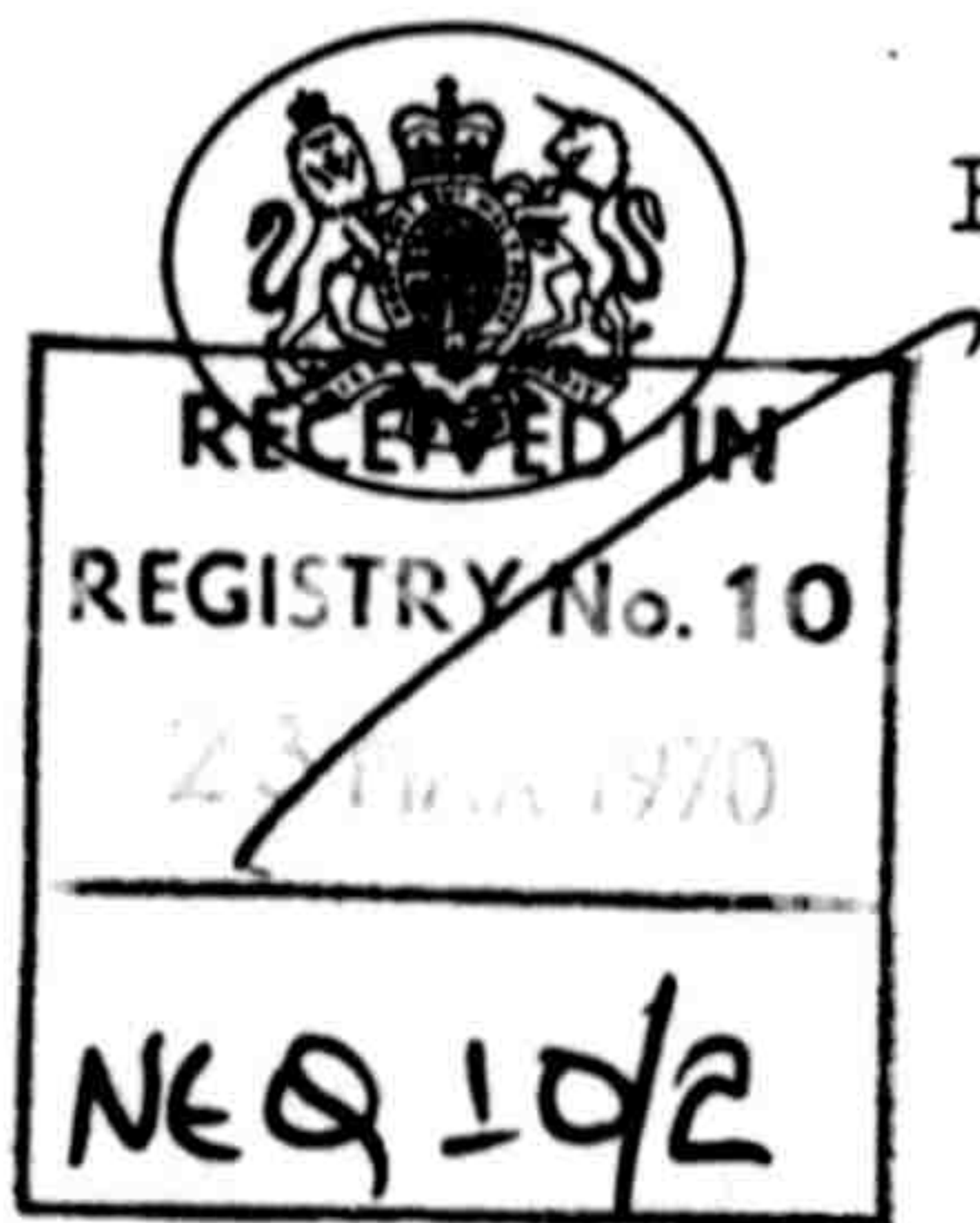
BRITISH EMBASSY

BAGHDAD

(6/12)

UNCLASSIFIED

20 March 1970



Dear Peter

f(7)

Please refer to John Symons' letter 6/12 of 24 February requesting the complete enclosures to your letter NEQ 10/2 of 2 February. We have now received a copy of Sell's letter of 8 January which we had already. We have still not received the documentation enclosed with Sell's letter i.e. Annex 'A' and Annex 'B'. I should be grateful if these could be sent by the next bag.

under f
④

Jenner

(M.K. Jenner)

Li He

*P.O.
PMM
24/3*

P.R.M. Hinchcliffe Esq.,
Near Eastern Department,
F.C.O.
S.W.1.

Revy I don't think

*Annexes 'A' & 'B' (under f④)
sent bag bag on 25/3/70.
RL.*

*Are we only
annexes?*

*he clark.
PMM
23/3*



6/12

⑨

translation

No.129/129/5/17043

Ministry of Foreign Affairs,
Political Department,
Baghdad, 7 April, 1970.

6/11 No. 3
A
The Ministry of Foreign Affairs presents its compliments to Her Britannic Majesty's Embassy, Baghdad, and has the honour to remind the Embassy of the contents of the Ministry's Note No.38/38/5/75062 of 8 October, 1969, and to request that it may be informed of the result of the efforts exerted by the Embassy with the competent British authorities regarding settlement of the outstanding debts claimed by the Iraq Ports Administration against the British Military Forces.

In awaiting the result of the efforts exerted by the esteemed Embassy in this respect, the Ministry avails itself of this opportunity to express its highest consideration and esteem.

Her Britannic Majesty's Embassy,
Baghdad.

D.F. Hawley, Esq., M.B.E.,
Commercial Counsellor,
British Embassy,
Baghdad,
Iraq.

6/12

O/Boon 156/8 - /13

15th April 1970.

Commercial-in-Confidence

Claims against Iraq Government

I refer to your letter of 14th March to Sinclair (copied to Cyril Rawlings here) about commercial claims against the Iraqi Government. I am attaching the amended figures for 1969 and 1970.

Our main concern is, as you say, the delays experienced by Platt Brothers on the Hilla Fine Textile project, and anything you can do to speed up payments on this case would be welcome. It was once suggested that the Ministry's procedures for making payments would be improved by greater individual control of funds; please see the tour report (paragraph 12) by Friend and myself. In your letter of 11 August (ref 5/12) to Stephens here you said that some moves had been made towards financial autonomy. Has there been any further action? The current situation on the Platt case is that we paid a claim for £21,913 in February 1970 and this has still to be recovered. The amount is therefore six months overdue. In addition Platt's are claiming some £400,000 relating to expenses arising from delays by the Ministry of Industry and various sub-contractors. Apparently machinery has been delivered but cannot be installed because the buildings have not been completed. We have not admitted liability because it has yet to be established that the Ministry of Industry is contractually liable for the sums in question. I understand that you are aware of these problems and I should be grateful for any comments or advice which you may have.

A second large default case involves the Ministry of Defence and Herbert Lomas. In December 1969 we paid a claim for £81,359 in respect of a contract for the supply of ambulances. It seems that the original order was reduced but that an amicable settlement has been reached; deliveries of the ambulances are continuing, recoveries of £12,053 have been made and with luck there will be a full recovery, although there may possibly be a small residual liability on the Iraq Government. There is no further action to be taken at present.

/The

The third major outstanding claim on the Iraq Government involves Smith and Nephew and the Ministry of Health. Claims totalling £59,990 were paid in 1967 and no recoveries have been made. Briefly the history of this case is that Smith and Nephew supplied goods worth £82,000 in January 1965. There was a dispute about the quality of some of the goods supplied (tablets), and a subsequently re-negotiated agreement to supply fresh goods was later rejected by the Ministry. Even goods accepted by the Ministry remain unpaid for. I understand that Hamilton has corresponded with our Claims Branch on this and that there is a complete deadlock, but perhaps this case could be mentioned if the general question of commercial claims against the Iraq Government is to be raised.

Lastly there are two smaller cases. The first of these involves Marconi and the B.C. of Broadcasting. Payment on this was made by Iraq's London Embassy but £390 remains to be paid. Hamilton and our Claims Branch are corresponding about this. The second case involves Holloway Brothers and was mentioned in your letter to Sinclair. Some £700 may be recovered on this case, out of a total debt of £987. We are not involved in the Garratt case you mention.

I am copying to the recipients of your letter and to Darziak (Treasury) and Fowell in our Claims Branch.

(D.M. JAFFRAY)

(2)

| | <u>Claims Paid</u> | <u>Main Cause of Loss</u> | <u>Recovery</u> |
|---------------------------|--------------------|--|-----------------|
| 1969 | 117,300 | Government default (Platts and Herbert Lomas) | 75,900 |
| Jan/Feb 1970 | 22,900 | Government default (Platts) | 600 |
| Total 1958 to Feb 1970 | 986,500 | | 654,176 |

From: Mr. D. J. Sleigh, F1b(Air)

11

7491

AF/X 407/65/F1b(Air)

| |
|---|
| RECEIVED IN REGISTRY No. 10 20 APR 1970 |
| NEQ 10/2 |

Reg

2 mch

RM

F. H. C. Wyatt, Esq
Treasury Chambers
Great George Street
LONDON SW1

16 April 1970 17/4

Iraq - Old Debts

I refer to Hincheliffe's letter to you (NEQ.10/2) of 2 February covering a report from the British Embassy in Baghdad on fresh Iraqi attempts to resurrect their claim against us in connection with the Iraqi Ports Authority.

2. I agree with para. 4 of the Embassy letter that any discussions with the Iraqis over claims should be limited, on our part, to the suggestion of a mutual waiver. I consider, therefore, that as tactfully as possible, the suggestion of a mutual waiver should be presented as very much a 'take it or leave it' proposition.

3. I am copying this letter to Hincheliffe in the FCO. ✓

D. J. SLEIGH



WITH COMPLIMENTS

D.M. JAFFRAY

EXPORT CREDITS GUARANTEE DEPARTMENT

P.O. BOX NO. 272, ALDERMANBURY HOUSE,
ALDERMANBURY, LONDON EC2

16/4
M. J. Jaffray
Chairman Dent 24/4
to see them
enter.

PMH

16/4

MFY



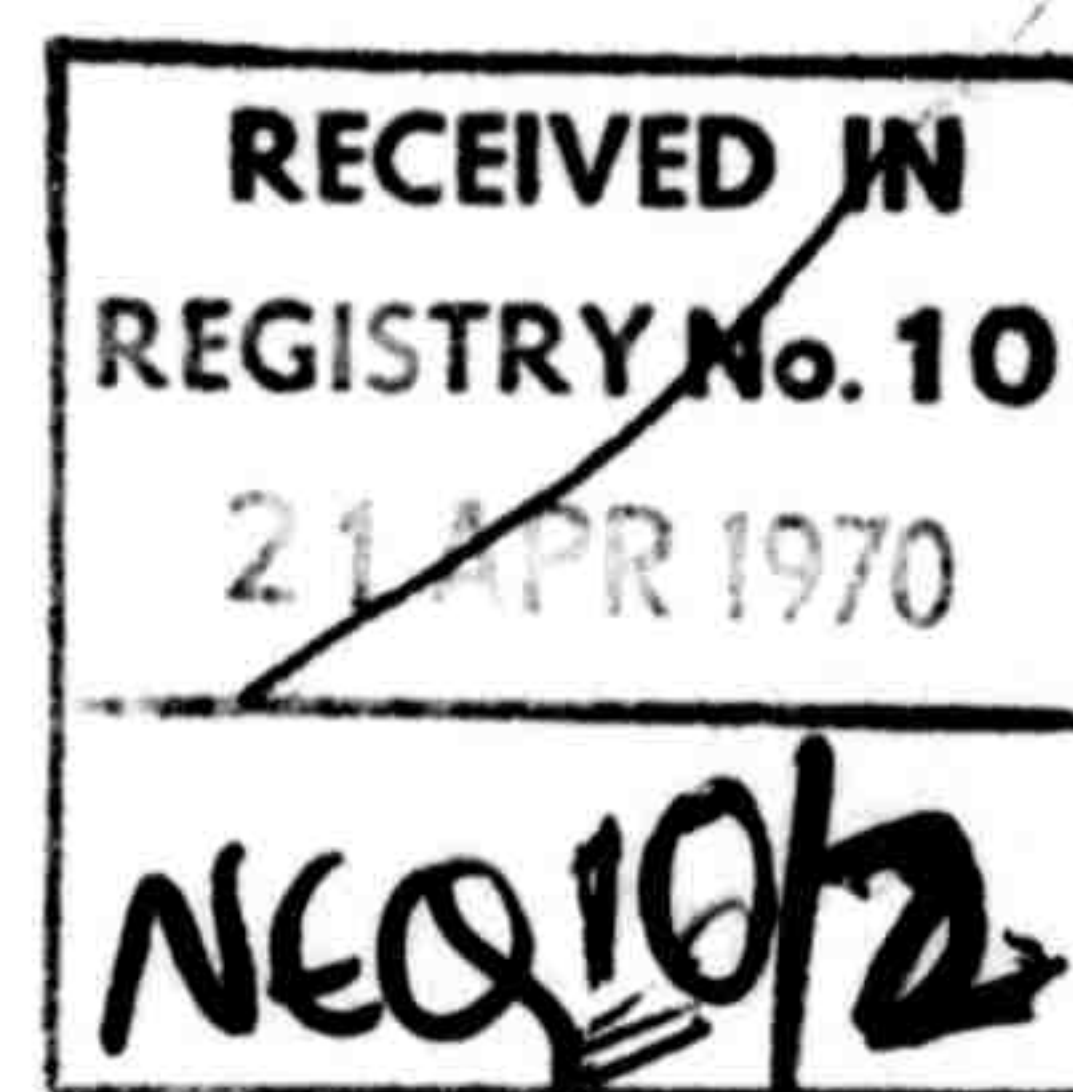
Treasury Chambers
Great George Street, London S.W.1
Telephone: Whitehall 1234, ext. 467

12

20 April 1970

Our reference: 2DM 57/58/01
Your reference: NEQ.10/2

P R M Hinchcliffe Esq
Near Eastern Department
Foreign & Commonwealth Office
London SW1



Dear Hinchcliffe

IRAQ - OLD DEBTS

Sleigh has sent you a copy of his letter of 16 April in which he agrees with the Baghdad Embassy's suggestion of a mutual waiver. We should have no objections in principle to this course of action, using Sleigh's tactics, on the understanding that by "all pre-1959 claims" Baghdad means just that: i.e. not just Ports Administration claims and counter claims and including the Tigon claim. We cannot help feeling however that as a result the Iraqis might be reminded of their non - P.A. claims which apparently have been lying dormant since diplomatic relations resumed. But as Baghdad should be best able to judge the Iraqis' current frame of mind, we should be content to let them follow up their suggestion.

I am copying this letter to Sleigh and Reeves.

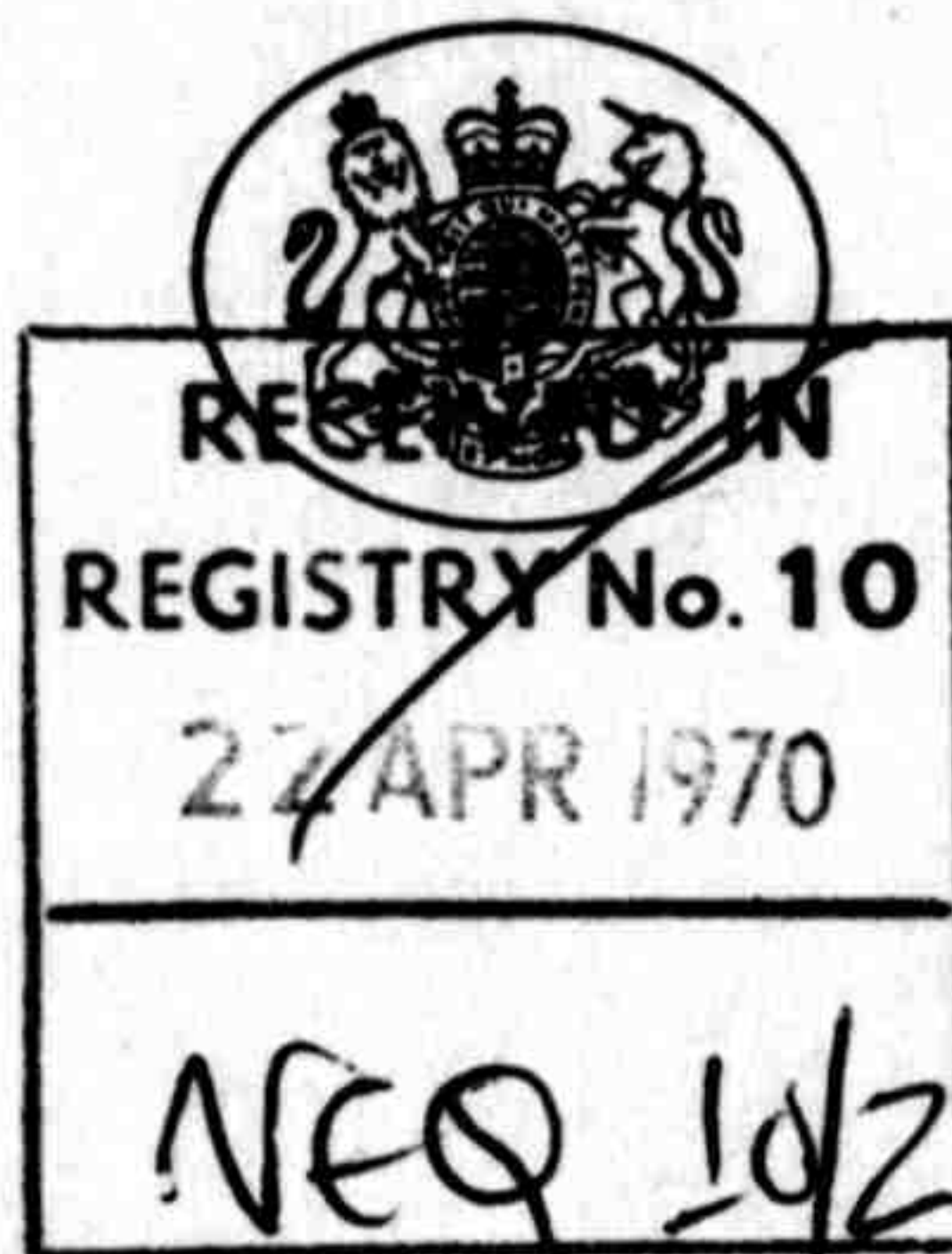
Yours sincerely

F H C WYATT

Reg & submit
with memo
Rosen.

21/4.

6/12
UNCLASSIFIED



File under HM
BRITISH EMBASSY

BAGHDAD

15 April 1970.

Dear Sir,

Iraqi Claims against H.M.G.

Please refer to McKearney's letter
6/33 MOD of 9 December. *file 2*

--- 2. I enclose a copy of a further Note from the Ministry of Foreign Affairs reminding us of the Iraqi Ports Administration claim (para. 2 of McKearney's letter).

3. We have acknowledged it. I should be grateful for guidance on how to answer it.

Yours

Mike
(M.K. Jenner)

P.R.M. Hinchcliffe Esq.,
Near Eastern Dept.,
F.C.O.,
London S.W.1.

6/12



UNCLASSIFIED



BRITISH EMBASSY,
BAGHDAD.

16 April 1970

14

Dear Sir,

Please refer to Jenner's letter 6/12 of 20 March about the enclosures to Sell's letter of 8 January. Unfortunately, although we have now received Annex A and Annex B, I do not think that the documentation is really complete. Before considering how best to draft on this subject to the Iraqis we should like to see a copy of the Memorandum of Understanding about the attachment of the five officers to the Iraqi Air Force. On the face of it, from Sell's letter the Iraqis would seem to have some justification in refusing the claim with regard to Barron at least.

2. On a separate and minor point, it would be helpful if the Ministry of Defence could produce a receipt for the refundable bond from the Alwiyah Club. We might well be able to extract from the Club independently and separate it from the main claim to the Ministry of Defence.

Yours,
JH
(J. H. Symons)

Reg & submit
MM
22/4

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.

NEAR EASTERN DEPARTMENT

15

NEQ 10/2

29 April, 1970

Iraq - Outstanding Loan charges

I sent a copy of your letter 128/0 of 8 January to our Embassy in Baghdad.

2. I enclose a copy of a self-explanatory letter from Symens in Baghdad asking for further documentations.

3. Can you help?

P.R.M. MINCHCLIFFE)

W. L. Sell Esq.,
Ministry of Defence (Flb (Air))
Main Building, Whitehall,
London S.W.1.

RESTRICTED

NEAR EASTERN DEPARTMENT

16

NEQ 10/2

29 April, 1970

Iraqi claims against HMG

Your letter 6/12 of 15 April reached me at much the same time as letters from the Ministry of Defence and the Treasury - intended as replies to McKearney's letter 6/33 MOD of 9 December. You will see from these (copies enclosed) that both MOD and the Treasury agree with the tactics proposed by McKearney in Paragraph 4 of his letter. So indeed are we and we will leave it to you to decide the timing of your approach to the Iraqis.

(P.R.M. Hinchcliffe)

J. H. Symons Esq.,
Baghdad.



MINISTRY OF DEFENCE

Main Building, Whitehall, LONDON S.W.1

Telephone: ~~XXXXXXXXXXXX~~

01-930 7022

17

Our reference: I28/O/F1b(Air)

Your reference: NEQ 10/2

P R M Hinchcliffe Esq
Near Eastern Department
Foreign and Commonwealth Office
London S.W.1.

5th May 1970

IRAQ - OUTSTANDING LOAN CHARGES

1. With reference to your letter of 29th Apr 70, I enclose a copy of the Memorandum of Understanding governing loans of Royal Air Force personnel to Iraq.
2. I spoke to you on the telephone and explained that the Alwiyah Club bond had been refunded some time ago and for this reason I did not itemise it at paragraph 3 of my letter of 8 Jan.

W. L. Sell
W L SELL

Enter & submit

MM

6/5

UNCLASSIFIED

Near Eastern Department

18

NEQ 10/2

7 May, 1970

I enclose the memorandum of Understanding you asked for in your letter 6/12 of 16 April.

14

2. The Ministry of Defence have explained that as the Alwiyah Club Bond has been refunded some time ago, it was not itemised separately in paragraph 3 of Sell's letter of 8 January and therefore you are not called upon to take any action as far as it is concerned.

(P.R.M. Hinchcliffe)

J. H. Symons Esq.,
Baghdad.

Folios
19 20

TRANSFERRED TO

NEQ 6/3

RESTRICTED



BRITISH EMBASSY

BAGHDAD.

1 July 1970.

6/33/MOD

RECEIVED IN
REGISTRY No. 10
- 9 JUL 1970

NEQ 10/2

Dear Peter,

Iraqi claims against H.M.G.
and British claims against Iraq

Your letter NEQ 10/2 of 29 April. *16*

--- 2. I enclose a draft Note which we propose to send to the Ministry of Foreign Affairs. Before doing so however, I should point out that although our reply is in the context of claims by and against the M.O.D., there is some risk that the Iraqis might subsequently argue that the mutual abandonment of pre-1959 claims applied also to the money owed by the Mansour School to the British Council - £30,000 plus interest. £40,000 was loaned to the School in 1957, and only £10,000 has been repaid. Our last communication with F.C.O. on the subject was Cultural Relations Department's letter PC 20/359/1 of 17 February 1969, since when the British Council have resumed their responsibility for handling the question. It is possible of course that the debt will never become a governmental claim, but I thought it as well to seek your views before putting in the Note.

Yours ever,

(P. McKearney) *1 h. l. p.*

P.R.M. Hinchcliffe Esq.,
Near Eastern Department,
F.C.O.,
London S.W.1.

Reg. & submit

1970 + 1969 Pres 25/7/70 attached

ALMA
9/7

| | |
|--------------|--|
| LAST REF. | |
| NEXT REF. | |

RESTRICTED

Registry
No.

DRAFT NOTE

Type 1 +

Top Secret.
Secret.
Confidential.
Restricted.
X Unclassified X

To:—

The Ministry of
Foreign Affairs

From

Telephone No. & Ext.

Department

Her Britannic Majesty's Embassy present their compliments to the Ministry of Foreign Affairs and have the honour to refer to the Ministry's Notes Nos. 129/129/5/17043 of the 7th of April and 129/129/5 of the 13th of May 1970 about outstanding debts claimed by the Iraq Ports Administration against the Government of the United Kingdom.

The Embassy have been instructed to state that the sum claimed by the Iraq Ports Administration is, as far as the United Kingdom authorities are aware, a joint claim both against the Royal Navy and against the Royal Air Force. That portion of the claim which refers to the Navy (Iraqi Dinars 2,450) has already been rejected in the past on the grounds that the bills comprising the claim had been settled on the spot at the time. A large proportion of the remaining sum relates to tariff increases which the Ports Administration had no right to impose and to bills which have already been paid or cannot now be satisfactorily checked. The United Kingdom authorities consider that the claim is unjustified and the Embassy have been instructed to state that they are not prepared to pay the amount claimed.

/As

NOTHING TO BE WRITTEN IN THIS MARGIN

As the Ministry are aware, there are substantial claims outstanding in both directions between the Government of Iraq and the Government of the United Kingdom and Northern Ireland relating to the period before 1959. These claims have been the subject of Notes in the past and also of discussions between the two sides, including for instance the visit to Iraq in 1964 of a Royal Air Force team who discussed these matters with the competent Iraqi authorities.

Her Majesty's Government are of the opinion that it would be in the interest of both ~~parties~~ ^{countries} if all these ^{listed in the Schedule to this Note} claims ^{date from} were to be abandoned. They ~~refer to~~ a period long past and the claims and counter-claims by each side are in some cases mutually ^{contradictory} ~~exclusive~~ and in general balance each other. The Embassy would therefore be grateful for the Ministry's view on the possibility of ^{an arrangement whereby all the claims listed in the} ~~abandoning all such claims~~. ^{Schedule to this Note would be abandoned.}

The Embassy avail themselves of this opportunity to renew to the Ministry the assurances of their highest consideration.

NOTHING TO BE WRITTEN IN THIS MARGIN

Copies to: (with copies of the Notes under reference)

1. CLAIMS DEPT ✓
2. C.R.D. ✓
3. 4. MESSAS SLEIGH & ✓
SELL (MOD)



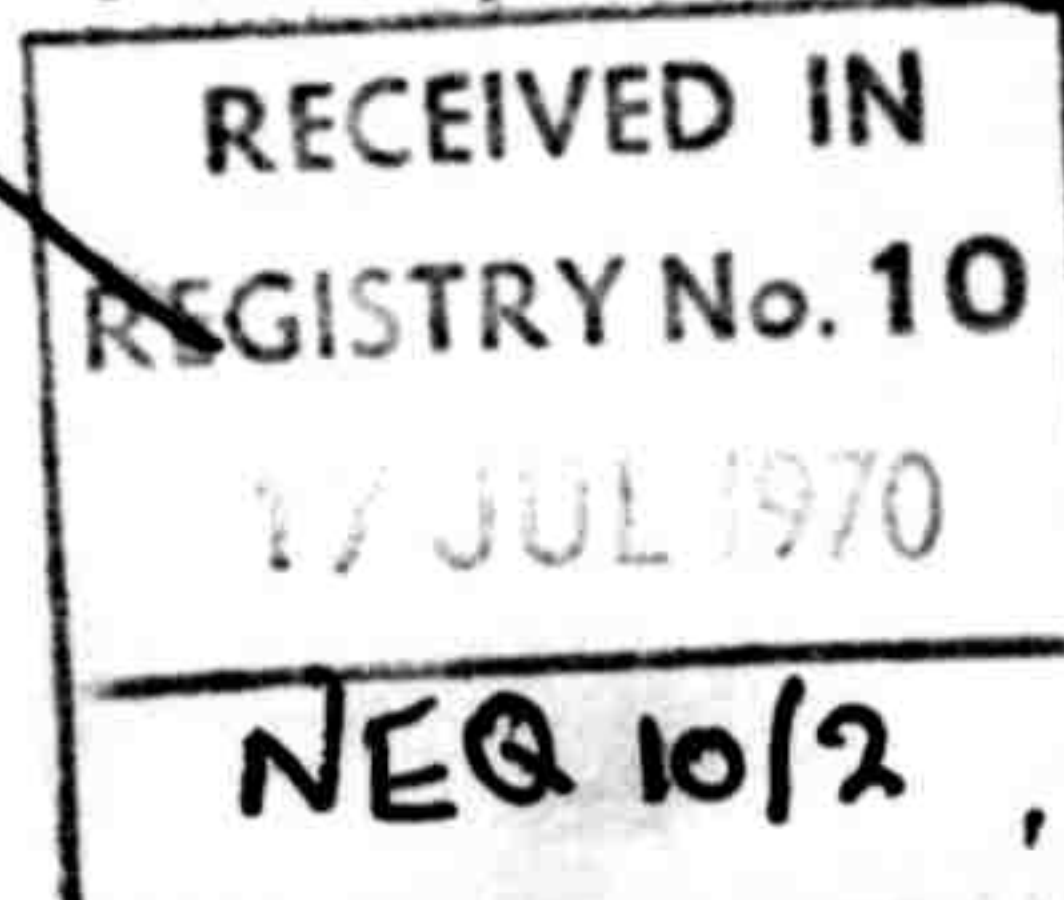
BRITISH EMBASSY
BAGHDAD

23

UNCLASSIFIED S. Transm (6/12/MOD)

Transm (6/12/MOD) 10 July 1970

then etc submit.



RMMA 16/7

Dear Sir,

Iraqi claims against H.M.G. and British
claims against Iraq

Please refer to the considerable correspondence on the various claims in both directions between Iraqi and British Governments.

f(21) 2. We are awaiting your reply to McKearney's letter 6/33/MOD of 1 July before sending a Note to the Ministry of Foreign Affairs about pre-1959 debts on the basis of the instructions enclosed with your letter NEQ 10/2 of 29 April. - f(16).

W(21) 3. We have taken action on your letter NEQ 10/2 of 2 February - f(4) on the RAF claims arising out of the June 1967 war. The sums do not tally with the original letter from Sell because on checking the figures we found MOD were claiming too much. To balance against this we have taken action on an Iraqi claim for aviation services against the RAF at about that time. I enclose copies of both Notes. You may like to pass copies to the relevant departments in the Ministry of Defence and at the Treasury.

4. This operation has prompted us to look at the remainder of the claims outstanding in both directions. We have recently renewed our claim for damage done to the Basrah Consulate General building at the time of the disturbances in June 1967 and intend to discuss with the British Council the question of claims arising from damage to their premises at that time.

5. We also have a record of a private claim on behalf of Digby and Hundley who were O.D.M. officials seconded for duty in Iraq at the time of the June war. Their claim was rejected by the Iraqi authorities on legalistic grounds as described in Hancock's letter 6/17 of 16 July 1968 to McKenzie Johnston. There is a similar claim on behalf of Owen and MacKinnon. This has been rejected by the Iraqi authorities on the grounds that they had no responsibility for these persons' effects. We have investigated the responsibility of the Embassy officials involved at the time and can find no evidence of negligence. In the circumstances no action with the Iraqis is going to be of any use and we propose to take no further action ourselves in either of these cases.

/6.

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.



6. The British Council are owed money by the Mansour Primary School in respect of a loan dating from 1957 (McKearney's letter under reference). There has been considerable correspondence on this, which is in a slightly different category from the other claims, and action lies with the British Council.

f④ — NEQ 10/5. 7. Sleight of F1B (Air) in the Ministry of Defence in his letter AFX/407/65/Part II of 29 April 1969 to Mewes in the Treasury, mentioned a claim by the Ministry of Defence (Army) against the Iraqis for tuition and maintenance of Iraqi students in the U.K. amounting to some £41,000 in the period after 1959. He mentioned that the army was proposing to pursue this question. We have no details of it and assume that it is being followed up with the Iraqi Embassy in London.

②-22 8. There is one further case which is causing us some difficulty. The Commonwealth War Graves Commission have various claims against the Iraqi authorities, one of which is for the refund of demurrage paid on a shipment of marble imported into Iraq in 1958. The Iraqi authorities have informed us in a Note 1533/1533/200/30494 of 15 June 1970 (copy enclosed) that they would be prepared to adjust this amount after the settlement of the various claims of the Basrah Port Authority against the Ministry of Defence. We have as yet made no response to this Note and should be grateful for guidance on our reply. It occurs to us that although the C.W.G.C. is funded by the Treasury, it is nonetheless a Commonwealth body for which we do not have exclusive responsibility and that therefore we should reject the offsetting. We intend in any case to propose the abandonment of pre-1959 claims by Iraq and HMG, and if the Iraqis agree to that, we might advise the Commission to drop their claim and offset it in their own accounts against the small profit they expect to make on a recent removal of war graves for which the Iraqis paid a lump sum in advance which is probably greater than the expenses incurred.

(J. H. Symons)

Note No. 221
(6/12/1967)

Her Britannic Majesty's Embassy at Baghdad present their compliments to the Ministry of Foreign Affairs and have the honour to request the Ministry's assistance in obtaining repayment of the following claim for £7,635 4s. 2d. from the Iraqi Ministry of Defence.

The claim refers to payments due in respect of Royal Air Force officers who were on loan when diplomatic relations were broken off between the Iraq Government and the Government of the United Kingdom and Northern Ireland in 1967. At that time five British officers were on loan to the Iraqi Air Force. On the 8th of June 1967 the Air Attaché at the British Embassy was informed by the Iraqi Air Force Liaison Officer at I.A.F. Headquarters that the Royal Air Force instructors were no longer required and that they should leave. The officers and their families left Iraq with other British nationals by road convey to Tehran that night. They subsequently returned to the United Kingdom, were granted end of tour leave under the terms of Section III 2 (b) of the Memorandum of Understanding and returned to Royal Air Force duty.

The Air Force Department's final claim regarding expenses of these officers was forwarded to the Air Attaché at the Embassy of Iraq in Brussels, the total amount being £13,053 7s. 6d. The reply from the Iraqi Embassy admitted liability for £4,921 9s. 10d. and paid this sum, but rejected the other

claims. The Embassy have also obtained payment separately of items 3 and 4 on the claim.

Her Majesty's Embassy have been instructed to renew the claim for the residual sum of £7,635 4s. 2d. in view of Her Majesty's Government's inability to accept the reasons put forward by the relevant Iraqi authorities for rejecting the claim. An annexe is enclosed giving details of the total claim. The Iraqi authorities in giving their original answer took the line that, excepting for item 1 on the claim, they were not liable for any payment due after the 23rd of May 1967. The significance of this date appeared to be that there was severe flooding at Habbaniyah about this date which prevented the Royal Air Force loaned officers from reporting for duty from then until the 8th of June 1967. In addition the Iraqi authorities completely ignored claims in respect of Flight Lieutenant Baron. This too was connected with the flooding. Flight Lieutenant Baron's nomination for loan duty was accepted by the Government of Iraq and his last day of Royal Air Force duty was the 15th of May 1967. He was prepared for loan to Iraq and arrived in Baghdad on the 30th of May 1967, but could not report immediately to Habbaniyah, because of the flooding, and had not done so at the time that the Iraqi authorities requested the withdrawal of the Royal Air Force officers. Nonetheless, he was on loan from the 16th of May 1967 (Section III paragraph 2(b) of the Memorandum of Understanding refers). Other detailed comments on the items in the claim are as follows.

(a) In making the payment of £4,921 9s. 10d. the Iraq authorities were only prepared to pay for the period from the 24th of May 1967 to the 7th of July 1967 under item 1 of lower United Kingdom

/rates

rates of £9.899 a day for Squadron Leader Crow and £8.363 a day for Flight Lieutenants Webb, Connell and Lobley. These officers were however in Iraq until the 8th of June 1967 although, due to the flooding, they were unable to travel from Baghdad to Habbaniyah for duty after the 23rd of May 1967, and the higher Iraqi rate of allowances applies until the 8th of June 1967. Also under item 1 the payment for Flight Lieutenant Baron as described above is still due.

(b) Under the terms of the Memorandum of Understanding (second schedule) the Government of Iraq was liable to pay allowances for furnished accommodation and other affairs in advance. These payments were due to the officers concerned with effect from the dates detailed in the annex and were not recoverable from the loaned officer in the event of their loan terminating prematurely. The practice had however arisen of the Royal Air Force financial authorities making payment to the individuals on the basis of reclaiming the sum from the Government of Iraq. The annex gives details of the net amount due in this respect after subsequent advances from the Iraqi authorities and the balance of interest-free loans made by the Government of Iraq under paragraph 2(h) had been taken into account.

(c) Item 10 in the annex was in respect of loan service pay under the first schedule of the Memorandum of Understanding (paragraph 2 (h)). This paragraph provided for "compensation consisting of an amount equal to the balance of the amount of the special allowance (payable under paragraph 1(a)(11)) in respect of service in Iraq which they would have received

if they had completed their period of loan".

In submitting this claim for the consideration of the Iraqi authorities the Embassy would recall to the Ministry that in section III, paragraph 2(a) of the Memorandum of Understanding it was stipulated that "The Period of Loan will be from the day upon which the individual ceases to do duty with the Force in which he last served before his Loan to the Armed Forces of Iraq until the day upon which he is taken back on the strength of the United Kingdom Forces", and that in section III, paragraph 5(b) "The Government of Iraq reserves the right to request the United Kingdom Government to withdraw the services of any or all Loaned Personnel at any time; provided that if it so requests the withdrawal of any or all Loaned Personnel on the grounds that their services are redundant it will give six months prior notice in writing to the British Air Attaché", and that in the first schedule, paragraph 2(h) it is stated that the Government of Iraq will repay to the United Kingdom Government its actual expenditure incurred in respect of "the payment to Loaned Personnel whose services are withdrawn at the request of the Government of Iraq before the end of the period of loan of compensation consisting of an amount equal to the balance of the amount of the special allowance in respect of service in Iraq which they would have received if they had completed their period of loan".

Her Majesty's Embassy would be grateful if the Ministry would refer this claim to the competent Iraqi authorities.

/The

26

The Embassy avail themselves of this opportunity to
renew to the Ministry the assurances of their highest
consideration.

British Embassy,

BAGHDAD.

9 July 1970

IRAG

CONSOLIDATED CLAIM OF ITEMS OUTSTANDING ON ON WITHDRAWAL OF RAY PERSONNEL JUNE 1967

ITEM 1

Claim for loan of personnel from 1 April 1967 to 18 August 1967.

| Name | Branch | Period | No. of days | Daily Rate | Amount |
|---------------------------------|--------|---|-------------|------------|-----------|
| | | | | £ | £ |
| CROW, M.F. SQ LDR | GD/P | 1 Apr. '67 to 7 Jne '67 | 68 | 13.442 | 914.056 |
| BARON, D.A. FLT LT | " | 31 May '67 to 7 Jne '67 | 8 | } - 11.907 | 2,178.981 |
| WEBB, T.M. FLT LT | " | 30 Apr '67 to 7 Jne '67 | 39 | | |
| GOSNELL, J. FLT LT | " | 1 Apr '67 to 7 Jne '67 | 68 | | |
| LOBLEY, J.V. PLT LT | " | 1 Apr '67 to 7 Jne '67 | 68 | | |
| <u>PERIOD IN UK AND TRANSIT</u> | | | | | |
| CROW, M.F. | GD/P | 8 Jne '67 to 18 Aug. '67 | 72 | 9.899 | 712.728 |
| HOLLIDAY, R.E. FLT LT | " | 1 Apr '67 to 28 May '67 | 58 | } - | 8.363 |
| BARON, D.A. | " | 16 May '67 to 30 May '67 8 Jne '67 to 9 Jne. '67 | 17 | | |
| GOSNELL, J. | " | 8 Jne. '67 to 24 Jly '67 | 47 | | |
| LOBLEY, J.V. | " | 8 Jne. '67 to 23 Jly. '67 | 46 | } - | 1,672.600 |
| WEBB, T. M. | " | 8 Jne. '67 to 9 Jly '67 | 32 | | |

/DISTURBANCE

| | Amount £ | | |
|---|-------------|-----|-----|
| <u>DISTURBANCE AL CHANGE AND REMOVAL EXPENSES</u> | | | |
| BARON, D.A. GR/P | 110.000 | | |
| <u>PRE-EMBARKATION CONVEYANCE COSTS</u> | | | |
| BARON, D.A. GR/P | 7.000 | | |
| <u>ITEM 2</u> | 55,599 | 7s. | 4d. |
| Recovery of Medical Expenses | | | |
| F/IT HOLLIDAY 22 19. 1 | | | |
| F/IT LORLEY 13 4 1 | 16 | 3 | 2 |
| <u>ITEM 3</u> | | | |
| Refundable Bond re ALWIYAH Club, Baghdad, on resignation by RAF personnel | 100 | - | - |
| <u>ITEM 4</u> | | | |
| Credit Balance in RAF Attache's public account RAPIDAIN Bank Baghdad | 1 | 19 | 6 |
| <u>ITEM 5</u> | | | |
| Allowances due to RAF Personnel under the terms of Loan Agreement: | | | |
| S/L Crew Allowances due | | | |
| 25 April 1967 1,290 - - | | | |
| Less Advance paid 2 May | | | |
| 1967 600 - - | | | |
| | 690 - - | | |
| Less repayment of private loan to Iraq Government 400 - - | | | |
| | 290 - - | | |
| <u>ITEM 6</u> | | | |
| F/IT LORLEY Allowances due | | | |
| 13 April 1967 1,240 - - | | | |
| Previous outstanding allowances not paid by Iraq | 130 - - | | |
| | 1,370 - - | | |
| Less Advance paid 2 May 1967 | 600 - - | | |
| | 770 - - | | |
| Less repayment of private loan to Iraq Government 260 - - | | | |
| | 510 - - | | |
| <u>ITEM 7</u> | | | |
| F/IT COUNELL Allowances due 23 May 1967 1,390 - - | | | |

6,513 2 0

Claim for utilities as
attached details for period
13 September to 30 September
1966

41 10 2
1,431 10 2

Less repayment of private
loan to Iraq Government

280 - -

1,151 10 2

ITEM 8

F/LT WEBB Allowances due 28 April 1967

1,520 - -

Less Advance paid 2
May 1967

600 - -

920 - -

ITEM 9

F/LT BARN Allowances due
30 May 1967

1,520 - -

ITEM 10

Loan service pay in Iraq. Balance
of allowances due as compensation.
Para 2(h) of the First Schedule of the
Agreement refers:

Sgt Ldr. CROW period 8 Jne '67 to
23 May '68 - 323 days at
£1.229 per day

396 19 4

Flt Lt BARNON period 8 Jne '67 to
30 May '69 - 723 days at
£1.229 per day

888 11 4

Flt Lt WEBB period 8 Jne '67 to
28 Apr '69 - 691 days at
£1.229 per day

849 4 9

Flt Lt COSMELL Period 8 Jne '67
to 23 May '68 - 351 days at
£1.229 per day

431 7 7

Flt Lt LOBLEY period 8 Jne '67
to 13 Apr '68 - 311 days at
£1.229 per day

382 4 4

TOTAL

2,948 7 4
11,031 7 4

/LESS THE

LESS THE FOLLOWING CREDITS DUE TO
IRAQ GOVERNMENT

ITEM 11

Cost of Registration of Telegraphic
Address Baghdad 4 10 -

ITEM 12

Landing Fees of RAF Aircraft at
Baghdad 79 14 -

ITEM 13

Repayment of private loan made to
P/Lt HOLLIDAY at commencement of
his tour of duty 310 - -

394 4 -
12,659.3. 6

Payment received from Iraqi Government

4,921 9 10
7,737 13s. 8d.

Less also amounts in Items 3 and 4 now
received separately

101 19 6
6,763 4s. 2d.

Note No. 260

(BA/118)

Her Britannic Majesty's Embassy present their compliments to the Ministry of Foreign Affairs and, with reference to the Ministry's Note 1189/120/101/38089 of the 8th of June 1969, have the honour to inform them that the following bills for Aviation services (Bill No. 2155 of the 5th of April 1967, Bill No. 3013 of the 29th of May 1967 and Bill No. 4760 of the 21st of August 1967) have been included as a credit offset in a consolidated claim on the Iraqi Government prepared by the British Ministry of Defence in respect of services provided by Royal Air Force loaned officers, details of which are contained in the Embassy's Note No. 221 of the 9th of July 1970.

The Embassy avail themselves of this opportunity to renew to the Ministry the assurances of their highest consideration.

British Embassy,

BAGHDAD.

10 July 1970

RESTRICTED

Mrs. Devlin, Legal Adviser
Mr. Burrows (in Mr. Berman's absence)

Iraqi/British Claims

After years of fruitless attempts to come to terms with the Iraqis on a number of outstanding claims and counter claims, involving on our side the Ministry of Defence, we agreed with the Treasury, our Embassy, and the Ministry of Defence that we should seek a mutual abandonment of all pre-1959 claims with the Iraqis.

FLAG A'

FLAG B'

FLAG C'

FLAG D'

FLAG E'

2. Our Embassy in Baghdad has prepared a draft Note which they propose to submit to the Ministry of Foreign Affairs. However, as Mr. McKearney has pointed out in his letter of 1 July, the Note is drafted in the context of claims by and against the Ministry of Defence that there is ~~accordingly~~ some risk that the Iraqis might subsequently argue that the mutual abandonment of pre-1959 claims applied also to the money owed by the Mansour School to the British Council. I have consulted Cultural Relations Department and they have suggested a form of words to be inserted into paragraph 3 of the draft Note excluding the British Council claim ~~on~~ ^{from} the terms of proposal to abandon pre-1959 claims and counter-claims.

3. I have also consulted Claims Department who confirm that they know of no further pre-1959 claims against the Iraqi Government which might be prejudiced by our proposal.

4. I would be grateful if you would look at the papers and let me have any comments on the draft Note as amended by Cultural Relations Department.

P. R. M. Hinchcliffe

(P. R. M. Hinchcliffe)
 Near Eastern Department
 23 July, 1970.

P. R. M. Hinchcliffe

I think that we must list the claims in a Schedule. The Schedule need not necessarily be attached to the text of a final arrangement, but I would prefer that it should be. If we do not identify what we are talking about the

RESTRICTED

Legis may not co-operate and we
cannot tell on our own side what we
may light-heartedly be signing away.
I have made some amendments in this
sense to the draft-Note.

Seen Darya
27 July.

Jones. New letter to Board at
B. O

Po.
MMM
28/7

Mr Jones, CLAIMS DEPT

MOD CLAIMS AGAINST IRAQIS
AND VICE VERSA

You last saw these letters
on 29 January (Folio 3)

2. Before the Draft note (attached
to Folio 27) is submitted by our Embassy
in Baghdad you may wish to be aware
of the general position. Subject to the
minor alterations to the note suggested
by Cultural Relations Dept

I see no objection to the note which
is on the basis recommended by MOD and
the Treasury. There are 1959 "claims"
are not (as you hint at in your Memo of
29 January) against claims under
International Law - however are you
aware of genuine "claims" (pre 1959)
which could be redressed by the presentation
of the note (in its present form) and of

What the Embassy should be aware?

If there are real genuine claims
then we will have to ensure that
to note well not then section from
the proposed "mutual abandonment pact".

PM Hinchcliffe

N.E.D.

20/7

Mr. Hinchcliffe

Claims Dept. know of no pre-1959 claims under
International Law. However, I agree that if possible
it would be judicious to be more precise about
what claims the Greeks are to abandon.

BB Jones 21/7/70

Mr. StewartMr. Hinchliffe (N.E.D.)

Memo to Chair Rep.

P. 1/11/11

24/2

Iraqi-British Claims

The claim by the British Council for repayment of £30,000 plus interest by the Mansour School is now being dealt with by their Representation in Baghdad.

2. I do not think it would be proper in a Note dealing only with claims and counter-claims by our Ministry of Defence to bring in the Mansour debt as well. If it is felt that the Iraqis might try to take advantage of the Note (if they agree to it in the first place) to claim that debts involving other bodies ~~were~~ *should be* abandoned too, could we perhaps draft the Note a little more specifically, perhaps by inserting, in paragraph 3, after '1959' the phrase 'resulting from previous agreements [or arrangements] between the Government of Iraq and the British Ministry of Defence'? Your Legal Adviser would no doubt wish to comment on this too.

Mary Dooley
(Miss M.L. Dooley)

17 July, 1970.

I agree that it might be unwise to bring in the Mansour debt. But I also think that the Note should identify more specifically the debts covered by the proposal to let bygones be bygones so that there is no possibility of the Iraqis trying to argue subsequently that the Mansour debt was included. Would "Ministers of the Government of Iraq and the British Ministry of Defence" do?

Gordon Sturt
(C.R.D.)
17 Jy

Miss Dooling, C.R.D.

N. see sep. minute.

Irish Claims & H.M.C. Counterclaims

Flagstaff

Please see folio (27) on the draft
note attached to it.

2. I have been dealing previously
with M.S.O. claims against the Irish
and vice versa and was not aware of
the Patent Council angle.

No.

3. You may wish to consider ~~the~~ whether
the note should specifically exclude the
Patent Council claims. ~~of course~~ if
it is in an entirely different category
then we can allow the note to go
forward without hesitation to the manner
referred to.

Alan Humble N.C.

10/2/70

Regy

Cover to file 6/12/1003

H.M.C.

19/6

18 JUN 1970

I have written to

London for signature

Date held

H.M.C.

1533/1533/200/30494.

Ministry of Foreign Affairs,
Protocol Department,

Baghdad, 15 June, 1970.

CON 24/2

The Ministry of Foreign Affairs presents its compliments to Her Britannic Majesty's Embassy, Baghdad, and, with reference to the esteemed Embassy's Note No. 85 of 28 March, 1970, about refund of the demurrage paid in respect of a consignment of marble imported into Iraq in 1958, has the honour to state that with a view to enabling the competent Iraqi quarters to consider the subject of refunding a sum of I.D. 274/138, the British authorities must settle the outstanding sums connected with the collision which took place between the British RM warship "Loch Fada" and the Iraqi dredger "Tigen", amounting to I.D. 698/533, in addition to the other Port charges and dues and other services rendered by the Iraqi Ports Administration to the British military forces during World War II, amounting to I.D. 38,129/25.

The Ministry would be grateful if the esteemed Embassy will be so good as to use its good offices with the competent British authorities for the settlement of the outstanding sums of which the details are given in the correspondence exchanged on this subject ending with the Ministry's Note No. 129/129/5/17043 of 7 April, 1970, and the competent quarters have no objection to adjustment of this amount after the settlement of the outstanding sums.

In awaiting the result, the Ministry avails itself of this opportunity to express its highest consideration and esteem.

Her Britannic Majesty's Embassy,

Baghdad.

Mr. Schinner, ^{21/7/70}

Consular Dept

Para 8 of Mr Symons letter
of 10 July (below) and the note
from the Iraq M.F.A. (U22)

Have you any thoughts on how
he should proceed - I assume earlier
responses to CWGC are entered with
you?

PMHumball

20/7/70

From Mr G J Gammon F1(Air)

2B



MINISTRY OF DEFENCE
Main Building, Whitehall, LONDON S.W.1
Telephone: ~~Whitehall 7022, ext.~~
01-930 7022

Our reference: AF/28/0/Pt 3

Your reference:

P Mewes Esq
HM Treasury

// August 1970

NEQ 10/2

IRAQI CLAIMS AGAINST HMG AND BRITISH CLAIMS AGAINST IRAQ

1. You asked me what was the position with regard to the claims raised by the Ministry of Defence (Army Department) against the Iraqis for tuition and maintenance of Iraqi students in the UK. These were referred to in paragraph 7 of Symons's letter of 10th July 1970 to Hinchcliffe.
2. These claims covered the period from 1st January 1963 to 31st March 1967. Those which had been presented but not settled amounted to £40,946 13s. 10d., while claims to the value of £1,941 15s. 8d., had not been presented. Since then, Iraq have settled all the claims in the second category and one of the claims in the first category, amounting to £1,292 2s. 8d. They are, however currently incurring further bills.
3. The present position is that the balance still outstanding to the Ministry of Defence of claims for the period up to 31st March 1967 is £39,654 11s. 2d. Of the claims currently being incurred the present balance outstanding is £437 19s. 4d., of which claims totalling £334 7s. 7d. have yet to be presented but will be shortly. We are, in short, actively pursuing all these claims with the Iraqi Embassy through the normal channels, although progress in getting them settled has been slow.
4. You also asked for my views on the Iraqi suggestion referred to in paragraph 8 of Symons's letter of 10th July that claims by the Commonwealth War Graves Commission against themselves should be offset against claims by the Basra Port Authority against MOD. I endorse his view that the status of the CWGC makes this form of horse trading impracticable. In any event, I feel sure that it is wise to stick to the generally agreed position that there should be a mutual abandonment by the Iraqis and ourselves of all pre-1959 claims.
5. I am copying this letter to Hinchcliffe (Near Eastern Department FCO).

G. J. GAMMON

Regis

Have you a true

of Symons letter

of 10 July 1970.

(Para 4?)

Enter what

RMM

17/8

RMM 17/8



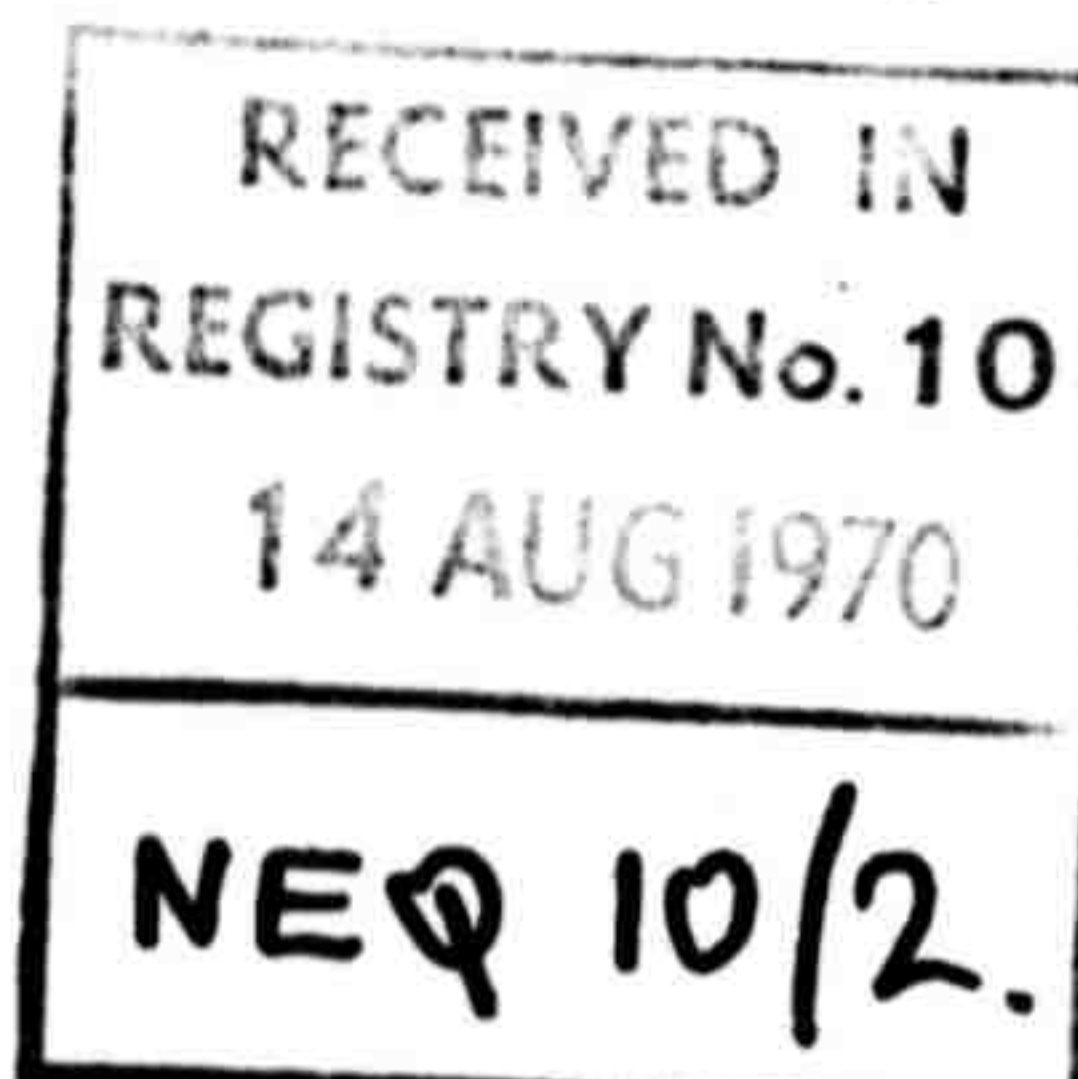
Treasury Chambers
Great George Street, London S.W.1
Telephone: 01-930 1234, ext. 588

24

Our reference: 2DM 57/58/01
Your reference:

12 August 1970

P R M Hinchcliffe Esq
Near Eastern Department
Foreign and Commonwealth Office
Downing Street
LONDON SW1



Dear Hinchcliffe,

We have now seen a copy of the letter of 10 July from our Embassy in Baghdad about the negotiation over claims and counter-claims with Iraq.

2. The Embassy's comments about the Mansour School debt seem rather negative, and we consider this negotiation affords a good opportunity for a further attempt at settlement. This claim should accordingly be included.

3. The Embassy is absolutely right to reject any link between CWGC claims and HMG claims for the reasons given. It follows from this that any settlement between Iraq and the United Kingdom on pre-1959 claims is irrelevant for CWGC purposes. We are sure that the Commission would not welcome any recommendation to drop their pre-1959 claims simply because HMG, with different interests, had done so. The Embassy should certainly not indicate to the Iraqi authorities any such possibility.

4. The Ministry of Defence have the major claims involved and I therefore suggest, if you agree that the British Council and Embassy damage claims should be included in the negotiation, that you write direct to Mr P S Mewes here in the Treasury.

Mr Skinner. ~~unusual~~

He told me. You should see the letter & letter (23) Para 4.

I would be grateful if I could see you here when you are with the Baghdad.

Key & what

all previous

PMH 12/8

Yours sincerely

D M STEWART
F(DP) Division.

| | |
|------|----|
| LAST | |
| REF. | |
| NEXT | |
| | 27 |

Don't
forget
debt
course

see the
minutes

RESTRICTED

Near Eastern Department

(22)

(NEQ 10/2)

28 July, 1970.

Iraqi Claims against HMG
and British Claims against
Iraq

Thank you for your letter 6/33/MOD of 1 July.

Other Departments concerned have had a look at the Draft Note you enclosed with your letter and have suggested some minor alterations, mainly with a view to ensuring that the Iraqis clearly understand exactly what claims are being abandoned. We feel that the best way of putting over this point is to list all the claims in a schedule attached to the Note.

I enclose your Draft Note with its final paragraph suitably amended.

(P. R. M. Hinchcliffe)

P. McKearney, Esq.,
BAGHDAD.

RESTRICTED



Consular Department
Foreign and Commonwealth Office
Clive House ~~London SW1~~
Petty France
London, S.W.1.

(GKG 359/4/4)

18 August, 1970

UNCLASSIFIED

Commonwealth War Graves Commission Claim for
Demurrage Charges - Iraq

Please refer to paragraph 8 of your letter (6/12/MOD) of 10 July to Hinchcliffe.

2. I have asked the Commonwealth War Graves Commission informally for their views on "offsetting". They say that whilst it would appear to be a logical step they would resist such a suggestion in principle since not only are Her Majesty's Government's funds involved but also those of the six other "participating" Governments, who would need to be consulted. We therefore agree that you should reject this suggestion by the Iraqis. (22)

3. I should however be grateful if you would clear up a slight discrepancy that appears to have arisen. The Ministry of Foreign Affairs Note of 15 June 1970 states that the Commonwealth War Graves Commission sum involved is I.D.274/138, whereas the Embassy Note of 24 April, 1969 (enclosed with Harrison's letter CON 34/1 of 29 April) stated the sum to be I.D.280/264. The Commonwealth War Graves Commission will wish to know where the I.D. 6/126 has disappeared to. I am sending a copy of this letter to Harrison, to keep his file up to date and also to Hinchcliffe (Near Eastern Department, Foreign and Commonwealth Office); Stewart (Treasury) and Gammon (Ministry of Defence).

(J.F. Skinner)

J.H. Symons, Esq.,
BAGHDAD.

Mr Lee 3/9/70.
(Claims Dept)

now re letter
at (26)

By 10
MM

CLAIMS ACCOUNT 1100

4/9

Mr Stewart's letter at (24)

The Treasury are in danger of
getting lines crossed. The Manor

For 1

School debt is being handled by the
Bristol Council (Miss Dorley's minute of 17
July) separately so should be treated as
pre-1954 claims negotiations. As for
the claim for damage due to the Broom
Commutate in June 1967 this is not only
a Government to Government claim, ^{non international law} as the
of an entirely different category to the claims
presented on behalf of the MCO (Mr Jones
minute of 29 January) but also has
a very different incident in 1969 could
hardly be handled in a pre-1954 context!

For 3

I intend. If you see no objection
to return a fairly decent answer to
Mr Stewart.

PMHumble
CHANCERY

Mr. Hinchcliffe
(N. Eustice Dept)

I have taken copies of the relevant
correspondence (22; 23 & 24 on NEQ 10/2) from your file
and attach a copy of my letter to Baghdad for your
file.

V. H. Hinch
19/8/70

NEQ 10/2 Re but the copy of the
Shannon letter
18 August on GK G 357/4/4 of
NEQ 10/2
6 Pa.

PLMA
25/8



Near Eastern Department
Foreign and Commonwealth Office
London S.W.1

NEQ 10/2

7 September, 1970

UNCLASSIFIED

24

Iraqi claims against H.M.G. and British claims against Iraq

Stewart, in his letter (2D/57/58/01) of 12 August, suggested that I should write to you about the negotiations being conducted by our Embassy in Baghdad over claims and counter claims with Iraq.

2. We are, deliberately, keeping the Ministry of Defence pre-1959 claim separate from the negotiations on the Mansur School Debt and the Government-to-Government claims on damage done to the Basra Consulate-General building in June 1967. The British Council representative in Baghdad is pursuing the Mansur School Debt and although this is in the pre-1959 category, the British Council would prefer to take it up separately rather than to have it lumped in with ancient Ministry of Defence claims. As the damage done to the Consulate-General took place as recently as June, 1967 it would be hardly appropriate to include it in negotiations relating to cases of a pre-1959 vintage. However, this is being pursued separately.

3. You will by now have seen Skinner's letter GKG 359/4/4 of 18 August to our Embassy in Baghdad, copied to Stewart, agreeing with the Embassy's suggestion that any attempt by the Iraqis to offset this claim against other Ministry of Defence claims should be rejected.

(P. R. M. Hinchcliffe)

P. S. Mewes, Esq.,
Treasury Chambers,
Great George Street,
London S.W.1.

RM
8/1

R.K. Hamilton Esq.,
Commercial Secretary,
British Embassy,
Baghdad,
IRAQ.

(28)
Reg. sent
with friends

Per. Mmm
Dl. Mmm

O/Econ 156/8

9th October 1970 12/10

Confidential

10

I refer to David Jaffray's letter of 15th April (your ref 6/12) about claims against the Iraqi Government.

He mentioned that the Ministry of Industry had told us during our visit in 1968 that they hoped to improve their payment procedures and thus remove the main cause for delayed payments in the Platts case. Although Donald Hawley told us in his letter of 8th August 1969 (ref 5/12) to Malcolm Stephens that there had been some moves towards financial autonomy we have heard nothing further. The delays in the Platts contract continue so I assume that the Ministry of Industry have done very little about their payment procedure.

I should be grateful if you would ascertain the present position regarding payment procedures in the Iraqi Government machine. Does the lengthy procedure described in our tour report still apply?

I am copying this letter to Hinchcliffe (Near Eastern Department) and Don Stewart (Treasury).

(J.C.W. Friend)



MINISTRY OF DEFENCE

Main Building, Whitehall, LONDON S.W.1

Telephone: ~~Whitehall 7022~~, ext. 7193

01-930 7022

(29)

Our references: I28/O/F1b(Air)

Your references: NEQ 10/2

RECEIVED IN
REGISTRY No. 10

15 OCT 1970

NEQ 10/2

now re f. (30) (31)

Reyes

PMMA

D J Mackinson Esq
Near Eastern Department
Foreign and Commonwealth Office
Downing Street
London SW1

14th October 1970

14/10

Dear Mackinson.

CLAIMS AGAINST IRAQ - LOAN OF RAF PERSONNEL

I would be grateful if you would say what the latest state of play is as regards our claim against the Iraqi Government in respect of RAF loan personnel withdrawn from Iraq following the June War. The last we heard of this matter in August was that following presentation of our claim to the Iraqi Ministry of Foreign Affairs in July, further action was likely to be delayed for some time because of the advent of the hot season. Since our Accounts branch has to keep watch on outstanding claims it would be helpful to know whether there is any prospect of a satisfactory settlement or meaningful negotiations before the New Year.

Yours sincerely

B Johnston

B JOHNSTON



WITH COMPLIMENTS

RECEIVED IN
REGISTRY No. 10

12 OCT 1970

NEQ 10/2

EXPORT CREDITS GUARANTEE DEPARTMENT

**P.O. BOX NO. 272, ALDERMANBURY HOUSE,
ALDERMANBURY, LONDON EC2**



30

Near Eastern Department,
Foreign and Commonwealth Office
London S.W.1

(NEQ 10/2)

14 October, 1970

UNCLASSIFIED

Claims against Iraq - Loan of R.A.F. Personnel

W22 We wonder if you have yet had any reply to your note No. 221 (6/12/MOD) to the Iraqi Ministry of Foreign Affairs a copy of which you enclosed with your letter 6/12/MOD of 10 July. If not, you may feel that a reminder is called for.

22

(P.R.M. Hinchcliffe)

J.H. Symons, Esq.,
BAGHDAD.

c.c.

B. Johnston, Esq.,
MOD F1b(Air)
(your letter 128/0/F1b(Air) of 14 October)

(31)



BRITISH EMBASSY
BAGHDAD

UNCLASSIFIED
(6/12/MOD)

RECEIVED IN
REGISTRY No. 10
19 NOV 1970
NEQ 10/2

10 November 1970

See letter

Claims against Iraq - Loan of R.A.F.
Personnel

(30)

Please refer to your letter NEQ 10/2 of 14 October to John Symons. We have not yet received a reply from the Ministry of Foreign Affairs to our Note No. 221 and have therefore sent them a reminder.

John

Mike

(M. K. Jenner)

P. R. M. Hinchcliffe, Esq.,
Near Eastern Department,
F.C.O.

Regiment

RRM

*See
Cory and done 23/
C.S. to*

Reference of MOD File (Am)

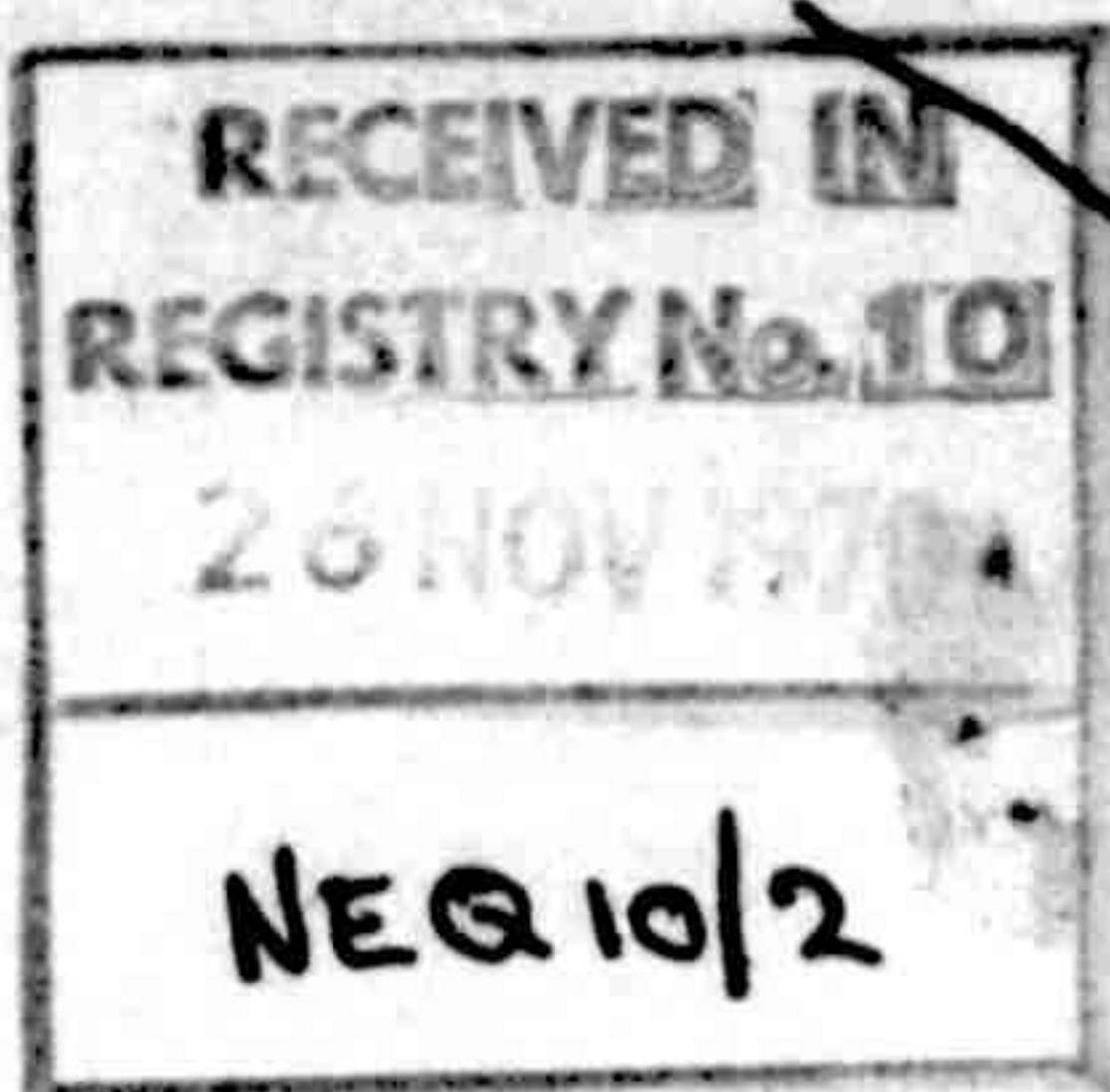
Referring to his letter of 16 (29)

19/11

RRM

20/11

P. M. M. 20/11



CONFIDENTIAL



BRITISH EMBASSY,
BAGHDAD.

111 (32)

6/12/MOD

16 November, 1970.

Dear Peter,

Iraqi Claims against H.M.G.
and British Claims against Iraq

(W32)

I enclose a translation of two letters which were originally copied to M.P.C., Ain Zalah, and which have been passed to us by I.P.C. in Baghdad. The purport of these letters seems to be an attempt by the Iraqis to rake up further claims against British Forces stationed in Iraq prior to 1959.

2. This is possibly a reaction to our Note to the Ministry of Foreign Affairs of 10 August (the draft of which was enclosed with your letter NEQ 10/2 of 28 July) proposing the mutual abandonment of all pre-1959 claims. It could be that the Iraqis intend to contest our proposals on the basis of new claims. This could be very tiresome but we shall have to wait and see what, if anything, they produce.

3. I enclose an extra copy of this letter and its enclosure which you might send to the Ministry of Defence if you think it appropriate.

*Yours,
Christopher.*

(A.C.D.S. MacRae)

P.R.M. Hinchcliffe Esq.,
Near Eastern Dept.,
F.C.O.

Rego submit

with H.M.G. notes

PMW

2/x

CONFIDENTIAL

Translation

"COPY OF LETTER FROM DIRM OF THE REPUBLICAN
PRESIDENCY/PRESIDENCY OF OIL AFFAIRS
PURSUANCE COMMITTEE"

But to IFC headquarters office in
Baghdad by 19th morning
in Ain Zalah.]

W32

MINISTRY OF DEFENCE

- " FINANCE
- " INTERIOR
- " COMMUNICATIONS
- " TRANSPORT

CENTRAL BANK OF IRAQ

ADMINISTRATION OF THE NATIONAL DEMOCRACY.

- Handed to me by Mr.
Petrone - 31/X.
R. E. E.

Certain services had been rendered to the British Forces stationed in Iraq or passed through it before, during and after the World War II, and that in accordance with the abolished alliance agreement which was concluded between both parties in 1930. Consequently miscellaneous debts were accumulated on British quarters as a result of their using the Iraqi public utilities such as railways, ports, airports & etc. Being anxious to know the amounts of these debts which are incumbent upon the British Government, please carryout practical survey of these debts, its amount and giving necessary details of each amount arising thereof upto the end of year 1958 provided that these details would reach us within a month from this date.

(Sgd.) Salih Mehdi Amash
Lieutenant General

President of Oil Affairs Pursuance
& Execution of Agreements Committee

"STRICTLY CONFIDENTIAL & UNCLASSIFIED"

No : 159

Date: 30/9/1970

From: Qaimaqam of Tal'afar Qadha

To : All Mudirs of Nahiyas

Subject: DEBTS INCUMBENT UPON BRITISH GOVERNMENT

Above is copy of Presidency Dirm of Republican Presidency
Presidency of Oil Affairs Pursuance and Execution of Agreements Committee
Letter No. S/278 dated 9/9/1970 communicated to us vide Governor of Nineveh
Letter No. S/1648 dated 28/9/1970 for your perusal and to please furnish us
with the required information as early as possible.

(Sgd.) Khalil Al-Jarad
Qaimaqam of Tal'afar Qadha

M.P.C., MOSUL - Ain Zalah

for the same above purpose.
Please advise us of the result.

Translation

"COPY OF LETTER FROM DIVAN OF THE REPUBLICAN
PRESIDENCY/PRESIDENCY OF OIL AFFAIRS
PURSUANCE COMMITTEE"

[Sent to IPC Headquarters for
signature by their manager
in Ain Zalah]

W32

MINISTRY OF DEFENCE
" " FINANCE
" " INTERIOR
" " COMMUNICATIONS
" " TRANSPORT
CENTRAL BANK OF IRAQ
ADMINISTRATION OF THE NATIONAL ELECTRICITY.

- Handled to me by Mr.
Retiree on 31/X.
Rag. Arver.

Certain services had been rendered to the British Forces stationed in Iraq or passed through it before, during and after the World War II, and that in accordance with the abolished alliance agreement which was concluded between both parties in 1930. Consequently miscellaneous debts were accumulated on British quarters as a result of their using the Iraqi public utilities such as railways, ports, airports & etc. Being anxious to know the amounts of these debts which are incumbent upon the British Government, please carryout practical survey of these debts, its amount and giving necessary details of each amount arising thereof upto the end of year 1958 provided that these details would reach us within a month from this date.

(Sgd.) Salih Mahdi Amash
Lieutenant General

President of Oil Affairs Pursuance
& Execution of Agreements Committee

"STRICTLY CONFIDENTIAL & SECRET"

No : 159
Date: 30/9/1970
From: Qaimaqan of Tal'afar Qadha
To : All Mudirs of Nahiyahs

Subject: DEBTS INCUMBENT UPON BRITISH GOVERNMENT

Above is copy of Presidency Divan of Republican Presidency-
Presidency of Oil Affairs Pursuance and Execution of Agreements Committee
Letter No. S/278 dated 9/9/1970 communicated to us vide Governor of Hina
Letter No. S/1648 dated 28/9/1970 for your perusal and to please furnish us
with the required information as early as possible.

(Sgd.) Khalil Al-Jarad
Qaimaqan of Tal'afar Qadha

M.P.C., MOSUL - Ain Zalah

for the same above purpose.
Please advise us of the result.

CONFIDENTIAL



Near Eastern Department,
Foreign and Commonwealth Office
London S.W.1

(NEQ10/2)

27 November, 1970

Iraqi claims against H.M.G. and
British claims against Iraq

I am addressing this letter to you as we have corresponded before on Ministry of Defence claims against the Iraq Government, with particular reference to a proposal now being pursued by our Embassy in Baghdad that all pre-1959 claims should be abandoned by mutual consent of the parties concerned.

... 2. As you will see from the enclosed copies of papers sent to us by our Embassy in Baghdad the Iraqis may now be thinking of dredging up an entire new series of ancient claims. I assume that there is no action that we need take at this stage, in the absence of any formal approach to us from the Iraqis, however I thought it might be useful for you to have some indication of the direction in which Iraqi minds appear to be working.

(P.R.M. Hinchcliffe)

J. S. Sleight Esq.,
P.O. (AIR),
Ministry of Defence,
Whitehall, London S.W.1.

Settlement Of Pre-1959 Debt Claims And Counter Claims Owed To H.M.G. And Iraq. Claims Against Iraq Government. 21 Sept. 1972. MS Middle East Online: Iraq, 1914-1974: Selected files from series AIR, CAB, CO, FCO, FO, PREM, T, WO, The National Archives, Kew, UK FCO 17/1257. Tables. The National Archives (Kew, United Kingdom). Archives Unbound, link.gale.com/apps/doc/SC5107476064/GDSC?u=webdemo&sid=bookmark-GDSC&xid=9c77e987&pg=1. Accessed 11 Apr. 2022.